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GOVERNMENT PRINTING OFFICE

Actions to Strengthen and Sustain GPO's Transformation



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GAO-04-830

June 2004

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Highlights

Highlights of GAO-04-830, a report to the Chairmen and Ranking Minority Members, Committee on Appropriations, U.S. Senate, and Subcommittee on Legislative Branch, Committee on Appropriations, U.S. Senate

Why GAO Did This Study

The transformation of the Government Printing Office (GPO) is under way. This report captures the results of our efforts over the past year to assess and help strengthen GPO's transformation and strategic planning efforts. It is the final part of GAO's response to both a mandate requiring GAO to examine the current state of printing and dissemination of public government information and a congressional request that we conduct a general management review of GPO focusing on that GPO's transformation and management.

What GAO Recommends

To further GPO's transformation and build on the actions already taken by GPO's leaders, GAO is recommending that GPO leaders take steps to improve planning and goal setting for the transformation. GAO is also recommending that GPO begin adopting leading practices of world-class organizations in financial management and information technology management.

We provided a draft of this report in June 2004 to the Public Printer for review and comment. The Public Printer agreed with our findings and recommendations and noted that this report will be a major part of GPO's transformation process.

www.gao.gov/cgi-bin/getrpt?GAO-04-830.

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

GOVERNMENT PRINTING OFFICE

Actions to Strengthen and Sustain GPO's Transformation

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What GAO Found

Federal government printing and dissemination are changing due to the underlying changes to the technological environment. The Public Printer and his leadership team understand the effects of this technological change on GPO and have begun an ambitious effort to transform GPO and reexamine its mission. Federal agencies are publishing more documents directly to the Web and are doing more of their printing and dissemination of information without using GPO services. At the same time, the public is obtaining government information from government Web sites such as GPO Access rather than purchasing paper copies. As a result, GPO has seen declines in its printing volumes, printing revenues, and document sales. To assist in the transformation process under way at GPO, GAO convened a panel of printing and information dissemination experts, who developed a series of options for GPO to consider in its strategic planning. The panel suggested that GPO

- develop a business plan to focus its mission on information dissemination as its primary goal, rather than printing;
- demonstrate to its customers the value it can provide;
- improve and extend partnerships with agencies to help establish itself as an information disseminator; and
- ensure that its internal operations are adequate for efficient and effective management of core business functions and for service to its customers.

GPO can also use other key practices that GAO identified to help agencies successfully transform, such as involving employees to obtain their ideas and gain their ownership for the transformation. GPO fully applied one of these practices, related to ensuring that top management drives the transformation, and has partially implemented each of the remaining eight practices. To fully implement the remaining practices, GPO needs to take actions including establishing its mission and strategic goals and developing a documented plan for its transformation.

GPO has taken some initial steps to adopt the best practices of other public and private sector organizations, most notably with respect to human capital management. GPO is actively implementing the recommendations GAO made in October 2003 (see GAO-04-85). For example, GPO reorganized the human capital office into customer-focused teams devoted to meeting the human capital needs of GPO's operating units. Continued leadership attention is needed to build on the initial progress made in information technology and financial management. For example, GPO should implement an information technology investment management process to help management choose, monitor, and evaluate projects, and GPO should train its line managers to effectively use financial data.

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Abbreviations

CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
CIO	Chief Information Officer
COO	Chief Operating Officer
DLC	Depository Library Council
ECO	Employee Communications Office
FDLP	Federal Depository Library Program
GPO	Government Printing Office
GPRA	Government Performance and Accountability Act
IEEE	Institute of Electrical and Electronics Engineers
IT	Information Technology
NDIIPP	National Digital Information Infrastructure and Preservation Program
OMB	Office of Management and Budget

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Accountability * Integrity * Reliability

United States General Accounting Office
Washington, D.C. 20548

June 30, 2004

The Honorable Ted Stevens
Chairman
The Honorable Robert C. Byrd
Ranking Minority Member
Committee on Appropriations
United States Senate

The Honorable Ben Nighthorse Campbell
Chairman
The Honorable Richard J. Durbin
Ranking Minority Member
Subcommittee on Legislative Branch
Committee on Appropriations
United States Senate

The transformation of the Government Printing Office (GPO) has begun. The trend towards producing government documents through electronic publishing technology and providing public government documents through the Internet has affected all of GPO's programs, reducing the production, procurement, and sales of printed products. These have historically provided GPO with a vital source of revenue to supplement its annual appropriation. GPO is making operational and cultural changes to help ensure that it stays relevant and efficient, and that it meets its customers' needs.

This report encompasses our body of work on GPO from the past year and responds to both (1) a mandate from the Senate Committee on Appropriations, included in Senate Report 107-209, to examine the current state of printing and dissemination of federal government information and provide strategic options for GPO to enhance the efficiency, economy, and effectiveness of its printing and dissemination operations and (2) your request that we conduct a general management review of GPO to focus on GPO's efforts to transform. The Subcommittee requested that the general management review be done in conjunction with the committee's mandated review. We have issued several products in response to and based on the legislative mandate and request, including briefings on the current printing and dissemination operations at GPO, the results of a panel discussion on the future role of GPO and a survey of executive branch agencies' use of GPO services, and selected approaches for workforce restructuring at GPO. We have also issued a report containing

recommendations to assist GPO's transformation through strategic human capital management efforts and a congressional testimony outlining technological changes affecting GPO's mission.

This report summarizes and, as appropriate, expands upon and updates our earlier work. First, in response to the Senate Committee's mandate, we describe the current state of printing and dissemination of federal government information, which is based on a survey of GPO's executive branch customers and a panel of experts who discussed (1) trends in printing, publishing, and dissemination and (2) the future role of GPO. Second, our general management review focused on actions GPO's leadership has taken and can take to transform itself and develop a strategic plan, and how GPO can work towards building a world-class organization.

In completing the general management review, we used as the analytical framework for collecting data and reviewing GPO's transformational efforts the key practices and implementation steps for mergers and organizational transformations that we had previously developed.[1]

We performed our work from March 2003 through June 2004. During this time we worked cooperatively with GPO leaders, meeting regularly with them about the progress of their transformation initiatives and providing them with information that they plan to use to develop GPO's strategic plan and strengthen management. For the general management review examining GPO's transformational efforts, we followed generally accepted government auditing standards. Because the nature of the work in response to the mandate was future oriented and focused on technological developments, not organizational management, we determined that it could not be considered an audit subject to generally accepted government auditing standards. However, in our approach to the work, we followed appropriate quality control procedures consistent with the generally accepted standards. For additional information on our scope and methodology, see appendix I.

[1]U.S. General Accounting Office, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003), and *Highlights of a GAO Forum: Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies*, GAO-03-293SP (Washington, D.C.: Nov. 14, 2002).

Results in Brief

Printing and dissemination in the federal government, as in private industry, are being transformed by the changing technological environment. Documents are increasingly being created and disseminated electronically, sometimes without ever being printed on paper. Federal agencies are publishing more documents directly to the Web and are doing more of their printing and dissemination of information directly, without using GPO services. At the same time, as more and more government documents are being created and managed electronically, the public is obtaining government information from government Web sites, such as GPO Access (http://www.gpoaccess.gov), rather than purchasing paper copies of government documents. As a result, GPO has seen declines in its printing volumes, printing revenues, and document sales. The agency's procured printing business has experienced a loss of $15.8 million over the past 5 years. The sales program lost $77 million over the same period. In addition, these changes are creating challenges for GPO's long-standing structure for centralized printing and dissemination and its interactions with customer agencies.

The Public Printer recognizes these challenges and in response has embarked upon an ambitious transformation. To assist in this effort, a panel of printing and dissemination experts that we convened provided a number of suggestions for GPO to consider as it transforms itself. The panel suggested that GPO do the following:

- Develop a business plan focused on information dissemination as its primary goal, rather than printing.

- Collect data to demonstrate that the services it provides—printing and publishing as well as information dissemination to the public through its library system and Web site—add value.

- Establish partnerships with other agencies that disseminate information and enhance its current partnerships.

- Ensure that its internal operations—including technology, how it does business with its customers, management information systems, and training—are adequate for efficient and effective management of core business functions and for service to its customers.

In its efforts to transform, GPO can use the nine key practices listed below that we identified in previous work. One of these practices, related to

ensuring that top management drives the transformation, has already been fully applied by GPO's leadership, and GPO has begun to implement each of the remaining eight practices. To fully implement the remaining practices, GPO will need to take additional actions, such as establishing its mission and strategic goals and developing a plan for its transformation. The status of GPO's efforts with respect to the key transformation practices is summarized in table 1.

Table 1: Status of GPO's Adoption of Key Practices Associated with Transformations

Practice	GPO status
Ensure top leadership drives the transformation.	GPO has fully implemented this practice through the Public Printer's actions to make a clear and compelling case for transforming GPO. He has also established an organizational structure to help balance transformation with the delivery of services.
Establish a coherent mission and integrated strategic goals to guide the transformation.	GPO has not established a mission and strategic goals; however, GPO has set goals for its individual operating units, which help to create a more results-oriented culture.
Focus on a key set of principles and priorities at the outset of the transformation.	GPO has not adopted a set of agencywide principles or core values; however, a GPO unit has benefited from establishing core values.
Set implementation goals and a timeline to build momentum and show progress from day one.	GPO has not established specific time frames and goals for its transformation; however, it has planned some initial steps to show progress.
Dedicate an implementation team to manage the transformation process.	GPO's management council focuses on transformational issues, but attention to the daily activities of the transformation could be strengthened.
Use the performance management system to define the responsibility and assure accountability for change.	GPO is developing a new performance management system for its executives, but needs to complete its strategic plan before it can align performance expectations with organizational goals.
Establish a communication strategy to create shared expectations and report related progress.	GPO leadership has communicated early and often, ensured consistency of message, and encouraged two-way communication. However, employees want additional information to meet their specific needs.
Involve employees to obtain their ideas and gain ownership for the transformation.	GPO has informed employees of changes, but has the opportunity to more fully involve them in the transformation.
Build a world-class organization.	GPO has taken steps to apply best practices in human capital, information technology, and financial management, but significant challenges remain.

Source: GAO.

Throughout this report, we make recommendations to assist GPO with the implementation of the eight practices that have not been completely implemented.

GPO leadership has articulated a vision to transform GPO into a world-class organization and has taken some initial steps toward this objective, most notably with respect to human capital management. GPO's Human Capital Office is using our October 2003 report[2] as GPO's roadmap for transforming its human capital management and is actively implementing the recommendations we made. For example, the Human Capital Office reorganized into customer-focused teams devoted to meeting the human capital needs of GPO's operating units.[3] With respect to information technology and financial management, GPO has taken initial steps towards improvement, but continued leadership attention is needed. For example, the Chief Information Officer (CIO) is issuing new security-related policies and procedures in response to problems identified by an external audit organization, and the Chief Financial Officer (CFO) has adopted the best practice of regularly providing financial information to GPO's key decision makers. We make recommendations to GPO leadership to build on its progress by further adopting best practices in the areas of information technology and financial management. For example, GPO should implement an information technology investment management process to help management choose, monitor, and evaluate projects. With regard to financial management, GPO needs to train its line managers to effectively use the financial data that they receive from the CFO.

We provided a draft of this report on June 9, 2004 to the Public Printer for review and comment. We received written comments from the Public Printer, which are reprinted in appendix II. The Public Printer agreed with the content, findings, and recommendations of the draft report, noting that our report will be a major part of GPO's transformation process. GPO also provided minor technical clarifications, which we incorporated as appropriate in this report.

Background

GPO's mission includes both printing government documents and disseminating them to the public. Under the public printing and documents statutes of Title 44 of the U.S. Code, GPO's mission is to fulfill the printing

[2]U.S. General Accounting Office, *Government Printing Office: Advancing GPO's Transformation Effort through Strategic Human Capital* Management, GAO-04-85 (Washington, D.C.: Oct. 20, 2003).

[3]GPO's six operating units are the Customer Services division; Information Dissemination division; plant operations division; office of information technology and systems; office of human capital; and office of finance and administration.

needs of the federal government and to distribute those printed products to the public. All printing for the Congress, the executive branch, and the judiciary—except for the Supreme Court—is to be done or contracted by GPO except for authorized exemptions.[4] The Superintendent of Documents, who heads GPO's Information Dissemination division, disseminates these government products to the public through a system of nearly 1,300 depository libraries nationwide (the Federal Depository Library Program), GPO's Web site (GPO Access), telephone and fax ordering, an on-line ordering site, and its bookstore in Washington, D.C. The Superintendent of Documents is also responsible for classification and bibliographic control of tangible and electronic government publications.

Printing and related services. In providing printing and binding services to the government, GPO generally dedicates its in-house printing equipment to congressional printing, contracting out most printing for the executive branch.[5] Table 2 shows the costs of these services in fiscal year 2003, as well as the source of these printing services.

Table 2: Printing, Binding, and Related Services Provided to the Congress and Federal Agencies for Fiscal Year 2003

Dollars in millions

Printing source	Billings for congressional services	Billings for federal agency services
Produced at in-house printing plant	$72.6	$94.9
Procured from private sector	1.4	474.7
Total	**$74.0**	**$569.6**

Source: GPO.

Documents printed for the Congress include the *Congressional Record*, hearing transcripts, bills, resolutions, amendments, and committee reports, among other things. GPO also provides publishing support staff to the Congress. These support staff mainly perform print preparation activities,

[4]44 U.S.C. §501. Departments, agencies, or their components may be exempted from the provisions of Title 44 by having (1) their own authorized printing plant approved by the Joint Committee on Printing, (2) a statutory exemption, or (3) a waiver from the Joint Committee on Printing to procure printing without going through GPO.

[5]Among the printing it performs in house for executive agencies is the *Federal Register*.

such as typing, scanning, proofreading, and preparation of electronic data for transmission to GPO.

GPO generally provides printing services to federal agencies through an acquisition program that relies on the commercial sector by passing the contractors' costs on to its government customers. Prequalified businesses, small to large in size, compete for printing jobs that GPO printing experts oversee to ensure that the contractors meet customer requirements for quality. For this service, GPO attaches a 7 percent surcharge that GPO officials have stated was established partly by what the market will bear and partly by what is needed to cover GPO expenses. GPO procures about 83 percent of printing for federal agencies from private contractors and does the remaining 17 percent at its own plant facilities. Most of the procured printing jobs (85 percent for the period from June 2002 to May 2003) were for under $2,500 each.

Besides printing, GPO provides a range of services to agencies including, for example, CD-ROM development and production, archiving/storage, converting products to electronic format, Web hosting, and Web page design and development.

Dissemination of government information. The Superintendent of Documents is responsible for the acquisition, classification, dissemination, and bibliographic control of tangible and electronic government publications. Regardless of the printing source, Title 44 requires that federal agencies make all their publications available to the Superintendent of Documents for cataloging and distribution.

The Superintendent of Documents manages a number of programs related to distribution, including the Federal Depository Library Program (FDLP), which provides copies of government publications to libraries across the country for public use.[6] Generally, documents distributed to the libraries are those that contain information on U.S. government activities or are

[6]Examples of other distribution-related programs are the International Exchange Service, administered by GPO on behalf of the Library of Congress, to exchange U.S. government publications for foreign government publications, which can then be made available to the public; the By-Law Distribution program, which supports the requirements of executive agencies and the Congress by providing publications prescribed by statute free of charge to authorized recipients; and Agency Distribution Services, which support the requirements of executive branch agencies for distribution of publications through the performance or procurement of mail list distribution or order-fulfillment services.

important reference publications. GPO evaluates documents to determine whether they should be disseminated to the depository libraries. When documents are printed through GPO, it evaluates them at the time of printing; if documents are not printed through GPO, agencies are to notify GPO of these documents, so that it can evaluate them and arrange to receive any copies needed for distribution. A relatively small percentage of the items printed through GPO for the executive branch are designated as depository items.

Another distribution program under the Superintendent of Documents is the Sales of Publications Program, which purchases, warehouses, sells, and distributes government documents. Publications are sold by mail, telephone, and fax; through GPO's on-line bookstore; and at its bookstore in Washington, D.C. In addition, GPO provides electronic copies of the *Congressional Record* and other documents to the Congress, the public, and the depository libraries in accordance with the Government Printing Office Electronic Information Access Enhancement Act of 1993.

The Superintendent of Documents is also responsible for GPO's Web site, GPO Access, which is one mechanism for electronic dissemination of government documents to the public through links to over 268,000 individual titles on GPO's servers and other federal Web sites. More than 2 billion documents have been retrieved by the public from GPO Access since August 1994; almost 372 million downloads of government information from GPO Access were made in fiscal year 2002 alone. About two-thirds of new FDLP titles are available online.

GPO Is Funded by Appropriations and by a Revolving Fund

GPO receives funding from two appropriations: (1) the Congressional Printing and Binding Appropriation, which is used for in-house printing of congressional activities and (2) the Salaries and Expenses Appropriation, which is used for certain Superintendent of Documents activities.

In addition to these appropriations, GPO has a business-oriented revolving fund, which is used to fund its procured printing, document sales, and other operations. The revolving fund was designed to financially "break even" by recovering costs through rates, prices, and other charges to customers for goods and services provided by GPO. The revolving fund is supported by the 7 percent service charge levied on agency customers of GPO-procured printing services and also receives funds from sales of publications to the general public.

Trends in Printing and Information Dissemination

Current printing industry trends show that the total volume of printed material has been declining for the past few years, and this trend is expected to continue. A major factor in this declining volume is the use of electronic media options. The move to electronic dissemination is the latest phase in the electronic publishing revolution that has transformed the printing industry in recent decades. This revolution was driven by the development of increasingly sophisticated electronic publishing ("desktop publishing") software, run on personal computers, that allows users to design documents including both images and text, and the parallel development of electronic laser printer/copier technology with capabilities that approach those of high-end presses. These tools allow users to produce documents that formerly would have required professional printing expertise and large printing systems.

These technologies have brought major economic and industrial changes to the printing industry. As electronic publishing software becomes increasingly sophisticated, user-friendly, and reliable, it approaches the ideal of the print customer being able to produce files that can be reproduced on the press with little or no intervention by printing professionals. As the printing process is simplified, the customer can take responsibility for more of the work. Thus, the technologies diminish the value that printing organizations such as GPO add to the printing process, particularly for simpler printing jobs. Nonetheless, professional expertise remains critical for many aspects of printing, and for many print jobs it is still not possible to bypass the printing professional altogether.

The advent of the Internet permits the instantaneous distribution of the electronic documents produced by the new publishing processes, breaking the link between printing and dissemination. With the increasing use of the Web, the electronic dissemination of information becomes not only practical, but also more economical than dissemination on paper.

As a result, many organizations are changing from a print to an electronic focus. In the early stages of the electronic publishing revolution, organizations tended to prepare a document for printing and then convert the print layout to electronic form—in other words, focusing on printing rather than dissemination. Increasingly, however, organizations are changing their focus to providing information—not necessarily on paper. Today an organization may employ computers to generate both plates used for printing as well as electronic files for dissemination. Tomorrow, the organization may create only an electronic representation of the

information, which can be disseminated through various media, such as Web sites.[7] A printed version would be produced only upon request.

Government Printing and Dissemination Changes Are Forcing GPO's Transformation

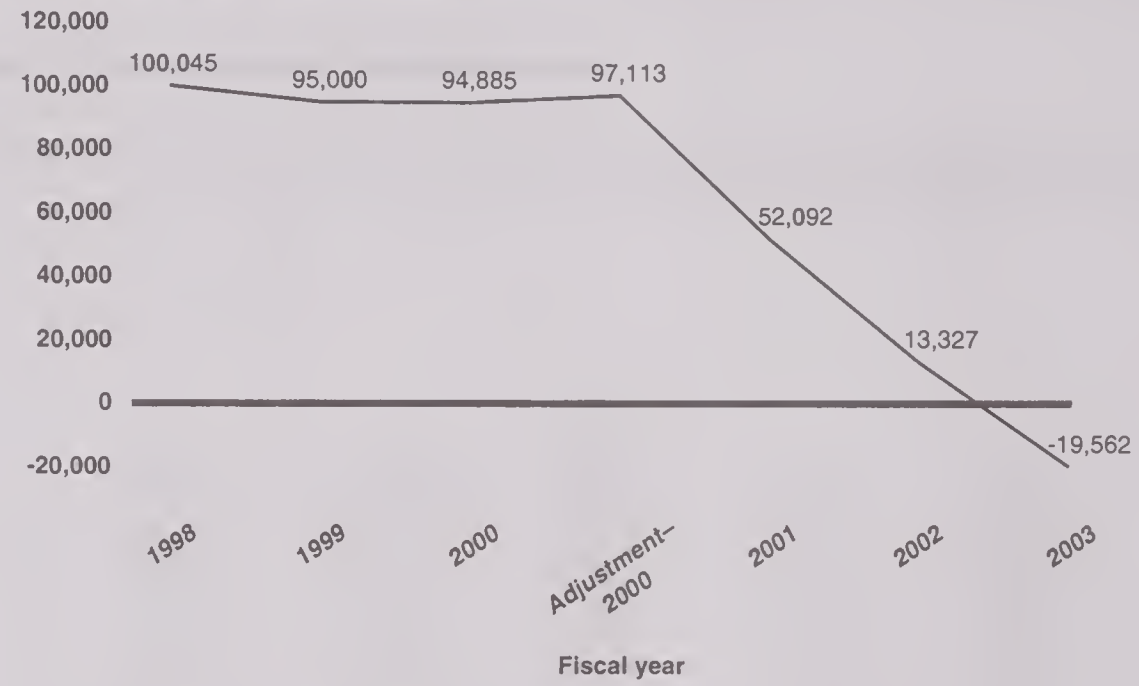
As in private industry, printing and dissemination in the federal government are being heavily affected by the changing technological environment. This new environment presents both financial and management challenges to GPO. Just as the volume of material provided to private firms for printing has decreased over the past few years, so has the volume of material that federal agencies provide to GPO for printing. In addition, federal agencies are publishing more items directly to the Web—without creating paper documents at all—and are able to print and disseminate information without using GPO services. Similarly, individuals are downloading documents from government Web sites, such as GPO Access, rather than purchasing paper copies of government documents, thus reducing document sales. As a result, GPO's financial condition has deteriorated, and the relationship between GPO and its federal agency customers has changed.

Changes in Government Printing and Dissemination Result in Reduced Revenues

The reduction in the demand for procured printing and for printed government documents has resulted in reduced revenues to GPO. These diminished revenues, combined with steady expenses and management's use of retained earnings for GPO-wide needs, have totally depleted the retained earnings from revolving fund activities. These retained earnings have gone from a surplus of $100 million in fiscal year 1998 to a deficit of $19 million in fiscal year 2003. Figure 1 shows the declining trend in retained earnings.

[7]Using tools such as the Extensible Markup Language (XML), for example, an organization could prepare one document that would automatically be interpreted to display appropriately on a number of different display devices, including paper. For more information on XML, see U.S. General Accounting Office, *Electronic Government: Challenges to Effective Adoption of the Extensible Markup Language*, GAO-02-327 (Washington, D.C.: Apr. 5, 2002).

Figure 1: GPO Retained Earnings for Fiscal Years 1998–2003



Source: GAO analysis of GPO financial data.

Note: The accounting adjustment in 2000 reflects the reclassification of the book value of an air-conditioning system. Dollar amounts have not been adjusted for inflation.

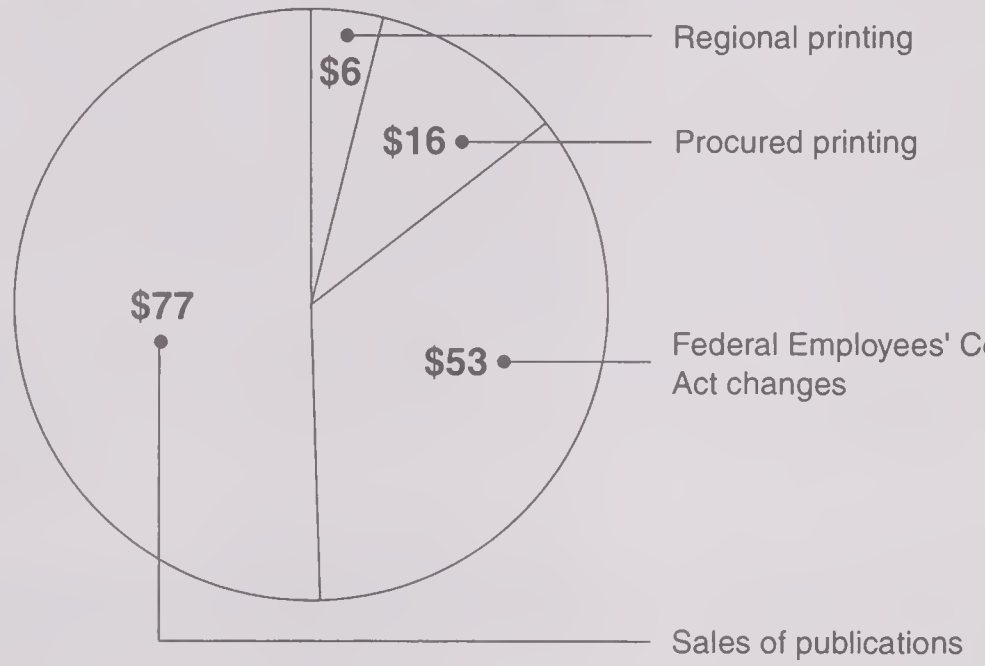
Specifically, most of the reductions to revenues for GPO's revolving fund activities are from two sources: (1) losses to the sales of publications operations[8] and (2) adjustments to actuarial calculations of future liabilities for GPO's workforce compensation.[9] Additional reductions to retained earnings resulted from GPO's procured printing operations and

[8]The sales of publications program absorbed additional expenses of $12 million for the direct write-down of the Integrated Processing System, a major system intended to automate certain functions for the document sales program and products. Sales of publications operations also include the distribution of publications on behalf of customer agencies. In addition, GPO management stated that the sales program had accumulated overhead expenses of $54.7 million over the same 5-year period, which contributed to its overall losses.

[9]GPO used $53.3 million to comply with new intragovernmental accounting requirements under the Federal Employees' Compensation Act (U.S. Treasury, Financial Management Service, *Federal Intragovernmental Transactions Accounting Policies Guide*, Sept. 28, 2001).

regional printing.[10] (See fig. 2.) Also, retained earnings were used to provide the Retirement Separation Incentive Program for reductions to GPO's workforce.[11]

Figure 2: GPO Revolving Fund Activities Accumulated Losses to Retained Earnings for Fiscal Years 1999–2003 (Dollars in Millions)



Source: GAO analysis of GPO financial data.

Note: Dollar amounts have not been adjusted for inflation.

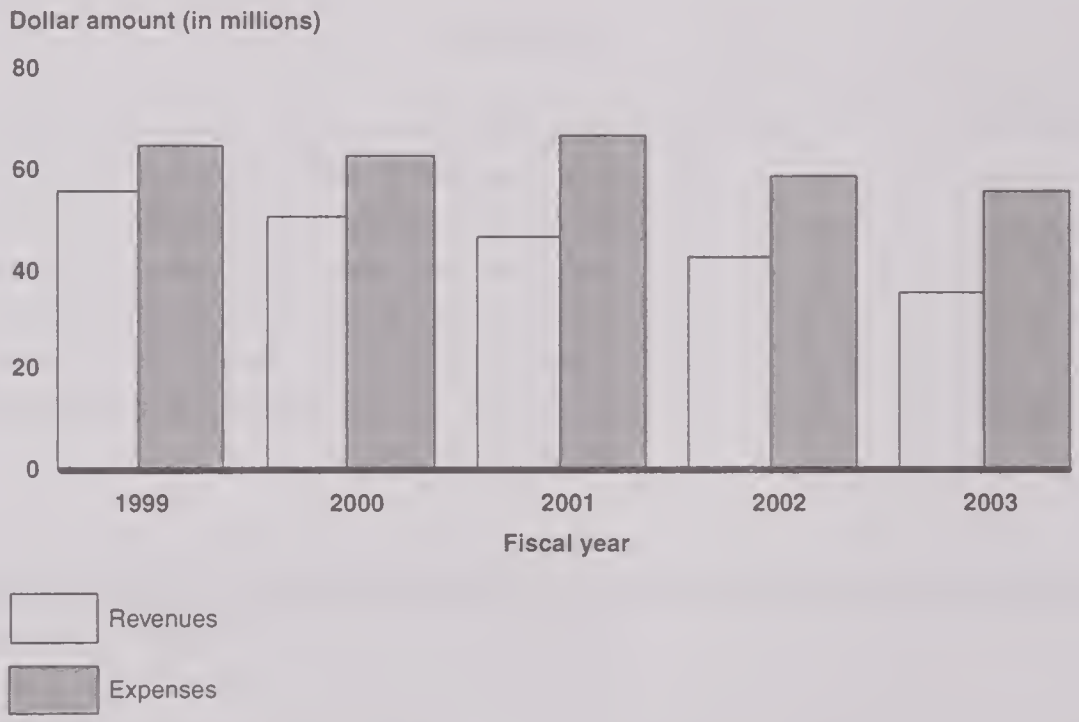
Losses to the sales program account for the largest reductions to GPO's retained earnings. The sales program has had a net loss of $77 million over the past 5 years, $20 million in fiscal year 2003 alone. According to GPO, these losses are due to a downward trend in customer demand for printed publications that has significantly reduced document sales revenues. For example, according to the Superintendent of Documents, GPO sold 35,000 subscriptions to the *Federal Register* 10 years ago and now sells 2,500; at the same time, over 4 million *Federal Register* documents are downloaded

[10]GPO closed its last remaining regional printing office in Denver, Colorado, on April 21, 2004.

[11]The Retirement Separation Incentive Program had total expenses of $10.4 million to reduce the GPO workforce.

each month from GPO Access.[12] The Superintendent also reported that the overall volume of sales has dropped from 24.3 million copies sold in fiscal year 1993 to 4.4 million copies sold in fiscal year 2002. As a result, revenues have not covered expenses, and the sales program has sustained significant annual operating losses. (See fig. 3.)

Figure 3: GPO Revenues and Expenses from Sales of Publications for Fiscal Years 1999–2003



Source: GAO analysis of GPO financial data.

Note: Dollar amounts have not been adjusted for inflation.

By comparison, the losses from GPO's procured printing business are less significant: $15.8 million over the last 5 years. According to GPO, its federal agency print jobs at one time generated close to $1 billion a year. In fiscal year 2003, the amount was just over half that—$570 million.

[12]Judith C. Russell, U.S. Superintendent of Documents, "The Federal Depository Library Program: Current and Future Challenges of the Electronic Transition," paper presented at the annual meeting of the American Association of Law Libraries (Seattle, Wash.: July 15, 2003).

Changes in Printing and Dissemination Affect How Federal Agencies Use GPO Services

These changes in federal printing and dissemination are also creating challenges for GPO's long-standing structure for centralized printing and dissemination. As mentioned earlier, agencies are to notify GPO of published documents (if they used other printing sources), which allows GPO to review agency documents to determine whether the documents should be disseminated to the depository libraries. If they should be, GPO can then add a rider to the agency's print contract to obtain the number of copies that it needs for dissemination.[13] However, if agencies do not notify GPO of their intent to print, these documents become "fugitive documents" and may not be available to the public through the depository library program.

In responding to our surveys, executive branch agencies reported that they are producing a significant portion of their total printing volume internally, generally on desktop publishing and reproduction equipment instead of large-scale printing equipment. In addition, while most agencies (16 of 21) reported that they have established procedures to ensure that documents that should be disseminated through the libraries are forwarded to GPO, 5 of 21 did not have such procedures, thus potentially adding to the fugitive document problem.

Responding agencies also reported that although currently more government documents are still being printed than are being published electronically, more and more documents are being published directly to the Web, and their numbers are expected to grow in the future. Most agencies reported that documents published directly to the Web were not of the type that is required to be sent to GPO for dissemination. However, a GPO official, in commenting on this, said that unless there is a specific reason why a document should not be disseminated to the public, such as if it is classified or of administrative interest only, GPO should have the opportunity to evaluate whether that document is suitable for dissemination through its depository library system.

Of the five agencies that did publish eligible documents electronically, only one said that it had submitted these documents to GPO. As electronic publishing continues to grow, such conditions may contribute further to the fugitive document problem.

[13]Receiving these copies at the rate of the original order is much less expensive than arranging a separate print run.

Change in Printing and Dissemination Affect Relationship between GPO and Executive Branch Customers

The ongoing agency shift toward electronic publishing is also creating challenges for GPO's existing relationships with its executive branch customers. In responding to our surveys, executive branch agencies expressed overall satisfaction with GPO's products and services and expressed a desire to continue to use these services for at least part of their publishing needs. However, these agencies reported a few areas in which GPO could improve—for example, in the presentation of new products and services. (We provide further results from our surveys on agency satisfaction in app. III.)

Further, some agencies indicated that they were less familiar with and less likely to use GPO's electronic products and services. As shown in table 3, these agencies were hardly or not at all familiar with services such as Web page design and development (8 of 28), Web hosting services (8 of 29), and electronic publishing services (5 of 28). As a consequence, these agencies were also less likely to use these services. With the expected growth in electronic publishing and other services, making customer agencies fully aware of GPO's capabilities in these areas is important. Table 3 provides agency responses on their familiarity with various GPO products and services.

Table 3: Executive Agency Familiarity with GPO Services

	Agency familiarity with GPO products/services					
GPO product/service	Extremely	Very	Moderately	Somewhat	Hardly or not at all	Total[a]
Archiving/storage	2	5	7	5	9	**28**
Binding	6	12	4	4	3	**29**
CD-ROM development and production	4	6	12	3	4	**29**
Converting products to electronic format	4	5	13	3	4	**29**
Custom finishing	5	8	8	4	4	**29**
Duplication/print on demand	9	8	7	2	2	**28**
Electronic publishing	2	9	8	4	5	**28**
Federal Depository Library Program	12	10	4	1	2	**29**
Financial management services	4	9	7	6	3	**29**
GPO sales program	8	8	8	2	3	**29**
Institute for Federal Printing and Electronic Publishing	12	7	4	4	2	**29**
Large format printing	4	7	7	4	6	**28**
Production Inventory Control System	7	6	5	5	6	**29**

(Continued From Previous Page)

GPO product/service	Agency familiarity with GPO products/services					
	Extremely	Very	Moderately	Somewhat	Hardly or not at all	Total[a]
Preflighting[b]	7	9	7	3	3	**29**
Press sheet inspection[c]	14	10	2	2	1	**29**
Printing (in-house)	17	6	3	2	1	**29**
Product dissemination	8	7	7	2	5	**29**
Reimbursable storage/distribution	5	2	10	6	6	**29**
Typography/design	12	6	4	4	3	**29**
Web hosting	1	4	6	10	8	**29**
Web page design/development	1	5	5	9	8	**28**

Source: GAO analysis of agency-reported data.

[a]Not all agencies answered every question.

[b]Preflighting is checking printed or electronic copy before printed copies are made.

[c]Press sheet inspection is a review of printed sheets before printed copies are made.

A few of the responding agencies reported less than satisfied ratings for some GPO products and services. Among these services were financial management services (7 of 23) and Web page design/development (3 of 10). Agencies also reported not using some GPO products and services, including Web hosting and Web page design/development services (18 of 28), converting products to electronic format (11 of 28), and electronic publishing services (9 of 28). Table 4 shows the results of our survey on agency satisfaction with GPO services, which includes agencies' reports of products and services that they do not use.

Table 4: Executive Agency Level of Satisfaction with GPO Services

GPO product/service	Agency satisfaction with GPO products/services						
	Excellent	Above average	Average	Below average	Poor	Don't use	Total[a]
Archiving/storage	1	4	6	0	2	15	**28**
Binding	4	9	4	0	2	9	**28**
CD-ROM development and production	3	4	9	1	2	9	**28**
Converting products to electronic format	3	6	7	0	1	11	**28**
Custom finishing	4	6	4	0	2	12	**28**
Duplication/print on demand	5	5	6	1	2	9	**28**
Electronic publishing	4	7	7	0	1	9	**28**

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GPO product/service	Agency satisfaction with GPO products/services						
	Excellent	Above average	Average	Below average	Poor	Don't use	Total[a]
Federal Depository Library Program	9	6	4	3	2	3	**27**
Financial management services	2	4	10	3	4	5	**28**
GPO sales program	5	4	10	2	1	5	**27**
Institute for Federal Printing and Electronic Publishing	11	7	5	0	1	4	**28**
Large format printing	4	3	9	0	1	10	**27**
Production Inventory Control System	2	4	11	1	1	9	**28**
Preflighting	2	8	6	0	2	10	**28**
Press sheet inspection	8	9	5	0	2	4	**28**
Printing (in-house)	7	7	5	2	2	5	**28**
Product dissemination	4	7	6	1	2	7	**27**
Reimbursable storage/distribution	1	2	4	0	2	19	**28**
Typography/design	3	9	4	1	2	9	**28**
Web hosting	1	2	5	1	1	18	**28**
Web page design/development	1	2	4	1	2	18	**28**

Source: GAO analysis of agency-reported data.

[a]Not all agencies answered every question.

GPO Is Taking Action to Address Challenges

GPO officials agreed with our assessment of the impact of technological change and said they are taking action to make GPO a more customer-focused organization. According to these officials, GPO is

- taking a new direction with its Office of Sales and Marketing, including hiring an outside expert and establishing nine national account managers, who spend most of their time in the field building relationships with key customers, analyzing their business processes, identifying current and future needs, and offering solutions;
- working with its largest agency customer, the Department of Defense, to determine how to work more closely with large in-house printing operations;
- evaluating recommendations received from the Depository Library Council; and

- continuing to implement a Demonstration Print Procurement Project, jointly announced with the Office of Management and Budget on June 6, 2003.

The Demonstration Print Procurement Project is to provide a Web-based system that will be a one-stop, integrated print ordering and invoicing system. The system is to allow agencies to order their own printing at reduced rates, with the option of buying additional printing procurement services from GPO. According to GPO, this project is also designed to address many of the issues identified through our executive branch surveys, particularly the depository library fugitive document problem.

Recommended Next Steps

Although executive branch agencies generally expressed satisfaction with GPO products and services, their survey responses indicate some areas for improvement. Accordingly, we recommend that the Public Printer

- work with executive branch agencies to examine the nature of their in-house printing and determine whether GPO could provide these services more economically;
- address the few areas in which executive branch agencies rated GPO's products, services, and performance as below average;
- reexamine GPO's marketing of electronic services to ensure that agencies are aware of them; and
- use the results of our surveys to work with agencies to establish processes that will ensure that eligible documents (whether printed or electronic) are forwarded to GPO for dissemination to the public, as required by law.

Expert Panel Suggests Strategic Options for GPO's Future Role

The Public Printer and his leadership team recognize the challenges that they face in the very competitive printing and dissemination marketplace and have embarked upon an ambitious effort to transform the agency. First and foremost, the Public Printer agrees with the need to reexamine the mission of the agency within the context of technological change that underlies GPO's current situation. To assist in that process, our expert panel developed a series of options for GPO to consider in its planning. Briefly, the panel suggested that GPO

- develop a business plan to focus its mission on information dissemination as its primary goal, rather than printing;

- demonstrate to its customers—including agencies and the public—the value it can provide;

- improve and extend partnerships with agencies to help establish itself as an information disseminator; and

- ensure that its internal operations—including technology, how it conducts business with its customers, management information systems, and training—are adequate for efficient and effective management of core business functions and for service to its customers.

We shared the results of the panel with GPO leadership, who commented that the panel's suggestions dovetail well with their own assessments. These leaders stated that they are using the results of the panel as a key part of the agency's ongoing strategic planning process. The panel members are listed in appendix IV.

Create a New Vision Focusing on Dissemination

In view of the changing federal government printing and dissemination environment, the panel suggested that GPO first needs to create a new vision of itself as a disseminator of information, and not only a printer of documents. As one panel member put it, GPO should end up resembling a bank of information rather than a mint that stamps paper.

As a first step in this new vision, according to the panel, GPO needs to develop a business plan that emphasizes direct electronic dissemination methods over distribution of paper documents. The panel identified several elements that could be included in such a business plan:

Improving GPO Access. GPO Access should be upgraded, and particular emphasis should be placed on improving the search capabilities.

Investigating methods to disseminate information directly. For example, GPO could develop additional services to "push" data and documents into the hands of those who need or want them. To become more active in disseminating data, GPO could provide information to public interest or advocacy groups that are interested in tracking government information on certain subjects. These groups require something like a news clipping service, and the panel suggested that this is

one way in which GPO could provide "value-added" service for which it could collect fees.[14]

Modernizing production processes. GPO should be moving toward production processes that will allow it to prepare a document once for distribution through various media (print or electronic). In the past, most organizations have focused on printing paper documents that are then turned into electronic ones. According to the panel members, the strategy for the future is to publish electronically and print only when necessary.

Promote the federal use of metadata. GPO should support the use of metadata—descriptive information about the data provided that is carried along with the data—across the federal government as a requirement for electronic publishing.

Providing increased support to the depository libraries. According to the panel, the depository libraries will continue to play an important role in providing access to electronically disseminated government information—through GPO Access and other tools—to that portion of the public that does not have access to the Internet. To support this role, GPO will have to ensure that the depository libraries receive training in electronic search tools, especially in GPO Access.

GPO officials stated that its Office of Innovation and New Technologies, established in early 2003, is leading an effort to transform GPO into an agency "at the cutting edge of multichannel information dissemination."[15] A major goal in this effort is to disseminate information while still addressing the need "to electronically preserve, authenticate, and version the documents of our democracy." Also, GPO has established an Office of New Business Development that is to develop new products and service ideas that will result in increased revenues. GPO officials stated that they are using the results of the panel discussion to categorize and prioritize their initial compilation of ideas for new products and services and, in this

[14]GPO is authorized to collect fees to reimburse its revolving fund for services and supplies provided, including charges for overhead. 44 U.S.C. §309(b)(1).

[15]The mission of this office is to find new technologies that can help GPO with the challenges of acquiring, authenticating, versioning, disseminating, and preserving digital information. According to GPO, each of these functions related to digital asset management is crucial to its future.

context, plan to assess how these ideas would improve operations and revenue.

Demonstrate Value to Customers and the Public

The panel also agreed that, while GPO appears to provide value to agencies because of its expertise in printing and dissemination, it is not clear that agencies and the general public realize this. Therefore, GPO should focus on demonstrating its value to federal agencies and to the public. According to the panel, areas that GPO could emphasize include the following:

Providing competitively priced printing that meets customer needs. GPO should collect the data to show that it can, in fact, provide the "best value" for the government print dollar. GPO should demonstrate its capabilities by assisting agencies to select optimal alternatives for obtaining their printing.

Providing expert assistance in electronic dissemination. Given GPO's major role in providing information dissemination, one panel member suggested that GPO provide its expert advice on electronic Web site dissemination to agencies. Once again, GPO could develop information that demonstrates how it can add value in this area.

Disseminating government information to the public. GPO should focus on demonstrating the usefulness of agencies' sharing information with GPO for public dissemination. In addition, the depository libraries and GPO Access should be made better known to the public. GPO could demonstrate its value to the public as a trusted source of authentic government information.

GPO agreed that demonstrating its value is an important part of its new customer service direction. GPO's Office of Sales and Marketing is also working to augment customer service, including hiring an outside expert and establishing nine national account managers, as mentioned earlier.

Establish Partnerships with Collaborating and Customer Agencies

According to the panel, GPO should establish partnerships with other agencies and enhance the partnerships it already has. These partnerships can be used to assist GPO in establishing itself as a disseminator and depository of information and to expand agencies' use of GPO in this role. Specifically, the panel suggested that GPO establish partnerships with the other information dissemination and preservation agencies (such as the National Library of Medicine, the Office of Scientific and Technical

Information, the Library of Congress, and the National Archives and Records Administration) with which it has related responsibilities. Through ongoing dialogue with these agencies, GPO will be able to (1) coordinate standards and best practices for digitizing documents and (2) work with agencies to archive documents in order to keep them permanently available to the public. GPO could be successfully marketed as the source of government information for public use.

In addition, the panel suggested that GPO improve and expand its partnerships with other agencies. Most agencies consider GPO a resource for printing documents; however, it now has the capability to assist in the collection and dissemination of electronic information.

GPO agreed that partnerships with other agencies, particularly the information dissemination agencies, would be a key item in its transformation. GPO has made efforts to join various working groups within the government working on information dissemination issues. Most recently, the Public Printer has been added to the oversight committee of the National Digital Information Infrastructure and Preservation Program (NDIIPP), a national cooperative effort to archive and preserve digital information, led by the Library of Congress.

Improve Internal Operations

The panel suggested that GPO would need to improve its internal operations to be successful in the very competitive printing and dissemination marketplace. Panel members suggested that GPO consider the following strategies.

Emphasize the use of technology to address future needs. The panel members suggested that GPO hire a chief technical officer (in addition to its chief information officer), who would focus on bringing in new printing and dissemination technologies while maintaining older technologies.

Improve how it conducts business with its customers. An electronic means for submitting printing requests would streamline the printing process for GPO customers. One panel member noted that when his organization started an electronic submission system for manuscripts, the number of requests it received increased dramatically because such systems made it easier for the user. (GPO's demonstration project, currently being piloted at the Department of Labor, includes use of a Web-based tool for submitting printing requests.)

Improving management information systems. GPO should overhaul its outdated management information systems and acquire new ones that can provide management with the information it needs to effectively monitor operations and to make good business decisions.

Enhance employee training. GPO's transformation should include significant improvements to employee training. GPO customer service employees should have the knowledge they need to effectively assist customers not only in printing publications and creating electronic documents, but also in advising customers on the best form of dissemination (paper or electronic) for their jobs.

GPO agreed that its internal operations need improvement. Among its actions to address the adequacy of its internal functions, GPO has hired a chief technical officer. The chief technical officer serves as a codirector of the Innovation and New Technology Office and provides principal guidance in the creation and development of technology designed to accelerate the transformation of GPO into a 21st century information organization using state of the art solutions to provide the highest quality government information services to the nation.

GPO Has Made the Case for Change, but Actions to Advance Transformation Needed

Large-scale change management initiatives, such as organizational transformations, are not simple endeavors and require the concentrated efforts of both leadership and employees to realize intended synergies and to accomplish new organizational goals. We have identified a number of key practices and related implementation steps that have consistently been found at the center of successful transformations.[16] Collectively, these key practices and implementation steps can help agencies transform their cultures so that they have the capacity to fulfill their promises, meet current and emerging needs, maximize their performance, and ensure accountability. GPO has applied some key practices as part of its transformation effort, such as involving top leadership and strategically communicating with employees and other stakeholders. However, it has not fully applied key practices that emphasize planning and goal setting. For example, GPO has not developed a plan for its transformation that would include goals and strategies to achieve its goals. Such a plan is

[16]U.S. General Accounting Office, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003).

important to pinpoint performance shortfalls and gaps and suggest midcourse corrections.

GPO's Leadership Has Clearly Articulated the Need to Transform and Taken Steps to Ensure the Continued Delivery of Services

Because transformation of an organization entails fundamental change, strong and inspirational leadership is indispensable. Our work has found that leadership articulating a succinct and compelling reason for change helps employees, customers, and stakeholders understand the expected outcomes of the transformation and engenders not only their cooperation, but also their ownership of these outcomes. In addition, to ensure that the productivity and effectiveness of the organization do not decline, leadership must also balance the continued delivery of services with transformation activities.

Key transformation practice	Implementation steps
Ensure top leadership drives the transformation.	• Define and articulate a succinct and compelling reason for change. • Balance continued delivery of services with transformation activities.

On several occasions and to different audiences, the Public Printer has reiterated the need for GPO to move from the 19th century to the 21st century. The Public Printer bases his case for change on three interrelated points that are consistent with our findings discussed above:

- GPO's printing business and customer base has decreased significantly in recent years due to the government's and public's increased use of and reliance on electronic documents, necessitating GPO to establish itself as the leading organization within the federal government for dealing with the collection, authentication, and preservation of government documents—rather than a traditional printing operation.

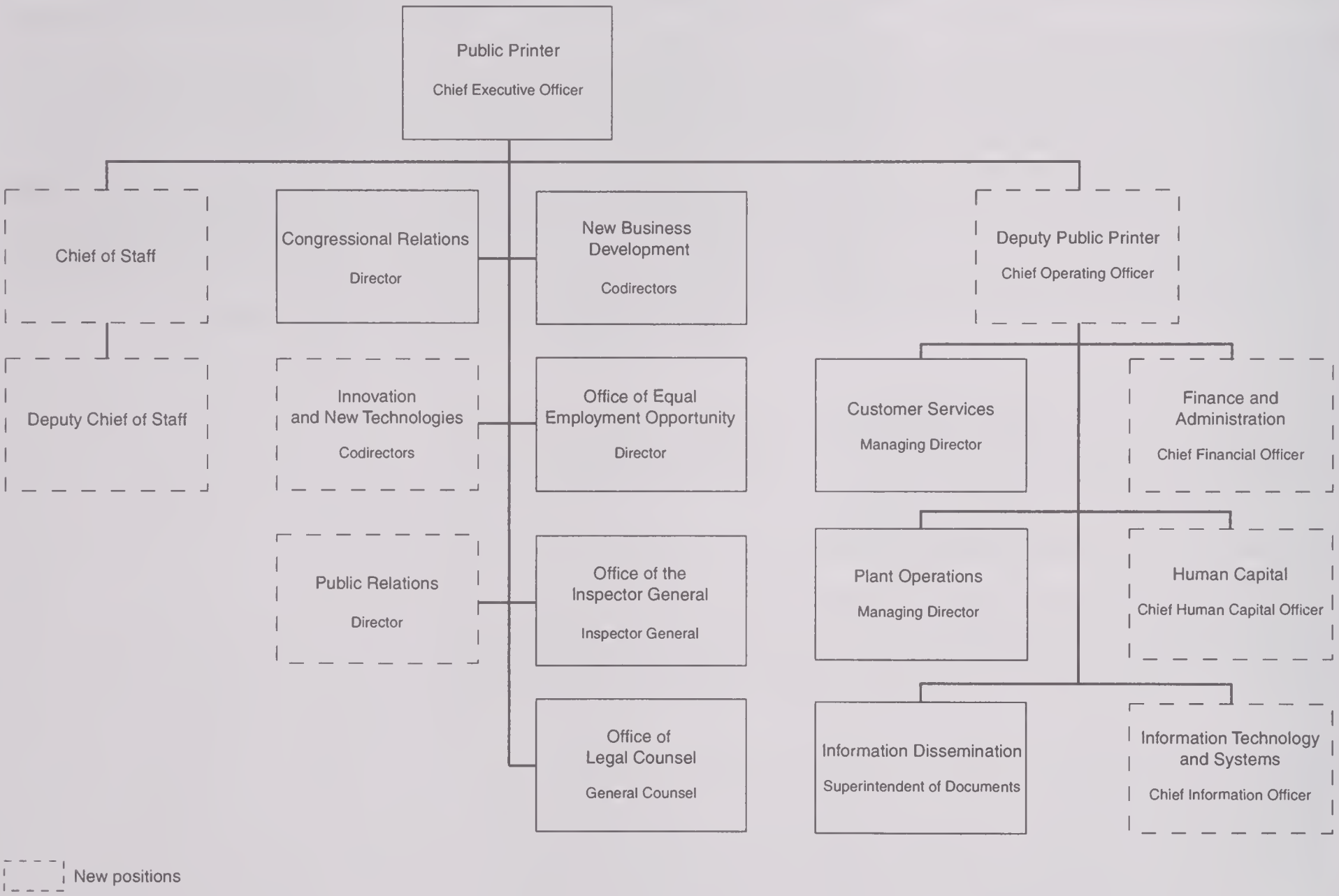
- GPO has failed to update its technological abilities to keep pace with changes in the information dissemination environment, and as a result must update its technology to address the needs of today's customers and information users and stay alert to future trends and changing needs.

- GPO's retained earnings, which were normally available to fund technological investment, are virtually depleted, requiring GPO to change the way in which it does business to ensure that it can reverse the trend of financial losses.

GPO's precarious financial condition makes it essential that its leaders effectively balance transformation efforts with the continued delivery of services. The Public Printer created and filled eight top leadership positions. The creation of these positions recognized that the demands of transforming while managing an ongoing operation can strain leadership, as well as the importance of organizational structure as a key factor affecting an agency's management control environment. These positions, which had no counterpart in GPO's former organization, can help ensure that GPO balances its transformation efforts with its day-to-day operations. For example, the Chief Operating Officer (COO) focuses primarily on day-to-day activities, the Chief of Staff focuses on strategic planning, and the Chief Human Capital Officer (CHCO), CIO, and CFO address both types of activities within their respective functional areas.[17] (See fig. 4.)

[17]On June 3, 2004, GPO's Chief of Staff was appointed to serve as Acting CHCO and the Public Printer's Special Assistant following the departure of the CHCO. The Acting CHCO stated that GPO would continue implementing the many transformation efforts initiated by the Human Capital Office.

Figure 4: GPO's Organization as of June 2004



Source: GAO analysis.

GPO Has Set Interim Goals for Its Operating Units While It Works on a Strategic Plan

The mission and strategic goals of a transformed organization must become the focus of the transformation, define the culture, and serve as the vehicle for employees to unite and rally around. In successful transformation efforts, developing, communicating, and constantly reinforcing the mission and strategic goals give employees, customers, and stakeholders a sense of what the organization intends to accomplish, as well as helping employees determine how their positions fit in with the new organization and what they need to do differently to help the new

organization achieve success. Adopting leading practices for results-oriented strategic planning and reporting, including those mandated for executive agencies in the Government Performance and Results Act (GPRA), can help focus transformation efforts. While GPO is not required to follow GPRA, the act can provide a relevant framework for GPO to follow in developing its strategic plan.[18] GPRA requires that strategic plans include several elements, including a mission statement, goals and objectives, and approaches or strategies to achieve goals and objectives. The framework can help an agency meet management control standards by enabling top management review of actual performance against planned performance.[19]

Key transformation practice	Implementation step
Establish a coherent mission and integrated strategic goals to guide the transformation.	Adopt leading practices for results-oriented strategic planning and reporting.

GPO is establishing a mission and strategic goals. Its overall approach is to consider the information gathered in the past year on GPO's current environment—including the results of our work—and develop its strategic plan by the summer of 2004. Specific responsibilities for drafting a strategic plan have been placed with the Chief of Staff, who, beginning in April 2004, held biweekly meetings with the Public Printer to discuss the direction for the strategic plan.[20] These meetings were meant to provide the Chief of Staff with updates on the Public Printer's vision, which, according to a GPO official, is being developed as he meets with stakeholders and industry leaders.

Over the past year, the Public Printer has spoken with employees, stakeholders, and the Congress to help focus and refine a vision for GPO's future. On April 28, 2004, the Public Printer made his most clear and direct statement of his vision for GPO thus far, stating that GPO has "begun to

[18]U.S. General Accounting Office, *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results*, GAO-04-38 (Washington, D.C.: Mar. 10, 2004).

[19]U.S. General Accounting Office, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

[20]GPO's Chief of Staff will continue to have responsibility for GPO's strategic planning in his new position as Special Assistant to the Public Printer and Acting CHCO.

develop a new vision for the GPO: an agency whose primary mission will be to capture digitally, organize, maintain, authenticate, distribute, and provide permanent public access to the information products and services of the federal government." GPO's strategic plan has the potential to unite employees around the new mission and determine what they need to do to help GPO transform and achieve success in the new environment.

Although GPO has not fully developed its mission and strategic goals, GPO's leadership has started to change GPO's culture by setting interim goals for major operating units. Managers told us that in the past, GPO's culture was to not set goals in order to avoid being held accountable for results. More specifically, GPO did not set or track any organizational goals and, therefore, did not develop the capacity to measure performance. The COO began to change GPO's culture by leading an initiative in October 2003 to develop goals for its operating units and told us that it was important to begin to focus managers' attention on priority issues and hold them accountable for progress. He said he viewed the interim goals as a necessary step to prepare GPO managers to operate in a results-oriented environment after GPO's strategic plan is completed.

The COO met with the heads of each business unit to develop goals that they thought would be consistent with GPO's yet-to-be-developed strategic mission based on discussions with the Public Printer. Once the goals were developed, the COO and business unit managers identified areas where some interdependence with other managers' goals might exist. Each manager is responsible for achieving between 6 and 11 goals that are specific to his or her business unit, and 6 additional goals that are common across GPO. The common goals are as follows:

- offer training opportunities to all employees in necessary job skills;
- establish baseline information on customer satisfaction;
- resolve all reportable conditions from financial audits;
- establish a line of communication through regular meetings to disseminate information;
- complete second-level reorganizations; and
- establish adequate off-site backup to enable continuity of essential operations.

GPO's efforts to set goals are a significant step toward strengthening communication and accountability; however, many of the goals do not emphasize outcomes. For example, one of the goals for both the Customer Services and Information Dissemination divisions is to implement the Office of Management and Budget (OMB) compact demonstration program.[21] While this demonstrates that GPO has incorporated cross-cutting goals between its operating units, this goal is a statement of a task to be accomplished rather than an outcome to be achieved.

While goals are important for establishing accountability, so too are measures, because they allow leaders to perform their management control responsibilities for monitoring performance and ensuring resolution of identified performance gaps. GPO's COO has stated that he would like to strengthen performance measurement as GPO sets its goals for fiscal year 2005. To this end, GPO has the opportunity to learn from the practices of leading organizations that implemented results-oriented management. Among other things, such leading organizations generally developed measures that were tied to program goals, demonstrated the degree to which the desired results were achieved, and were limited to the vital few that were considered essential to producing data for decision making.[22]

Recommended Next Steps

Consistent with the efforts under way, the Public Printer should ensure that GPO's strategic planning process includes development of

- a comprehensive agency mission statement to define the basic purpose of GPO;
- agencywide long-term goals and objectives to explain what results are expected from the agency's main functions and when to expect those results;
- approaches or strategies to achieve goals and objectives to align GPO's activities, core processes, and resources to support achievement of GPO's strategic goals and mission;

[21]GPO and OMB entered a compact on June 6, 2003, in which GPO would create a demonstration project designed to provide federal agencies flexibility in choosing their own printing services.

[22]U.S. General Accounting Office, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, GGD-96-118 (Washington, D.C.: June 1996).

- a description of the relationship between the long-term and annual goals to show expected progress;

- an identification of key external factors to help determine what actions will be needed to meet the goals; and

- a description of program evaluations used to establish or revise strategic goals, and a schedule for future program evaluations.

The Public Printer should reinforce a focus on results by continuing efforts to set goals, measure performance, and hold managers accountable by adopting leading practices of organizations that have been successful in measuring their performance. First, the measures that GPO develops should be

- tied to program goals and demonstrate the degree to which the desired results were achieved,

- limited to the vital few that are considered essential to producing data for decision making,

- responsive to multiple priorities, and

- responsibility-linked to establish accountability for results.

Second, GPO leadership needs to recognize the cost and effort involved in gathering and analyzing performance data and make sure that the data it collects are sufficiently complete, accurate, and consistent to be useful in decision making.

GPO Can Strengthen Its Transformation by Focusing on a Key Set of Principles and Priorities

Principles are the core values of the new organization; like the mission and strategic goals, they can serve as an anchor that remains valid and enduring while organizations, personnel, programs, and processes may change. Core values define the attributes that are intrinsically important to what the new organization does and how it will do it. They represent the institutional

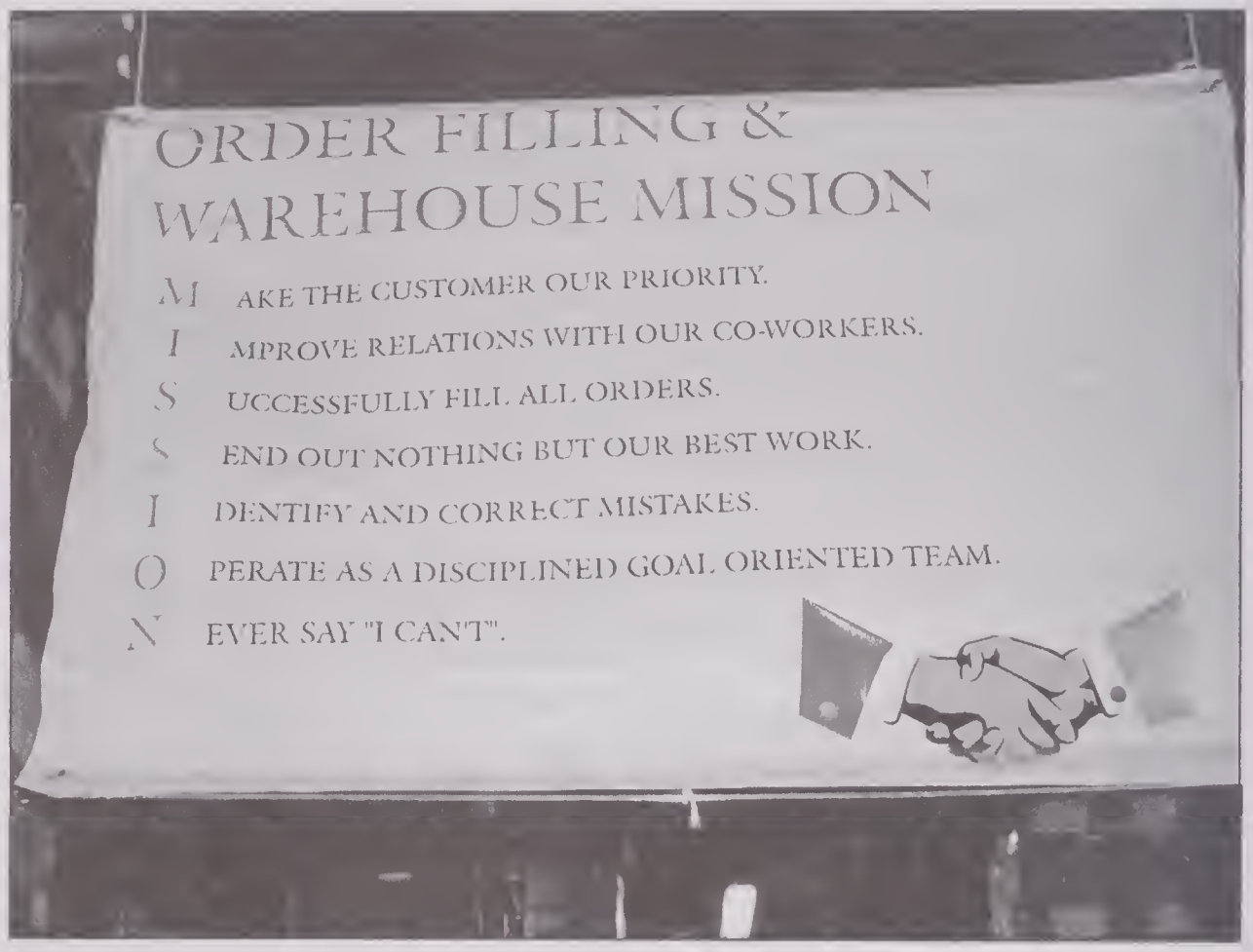
beliefs and boundaries that are essential to building a new culture for the organization.

Key transformation practice	Implementation step
Focus on a key set of principles and priorities at the outset of the transformation.	Embed core values in every aspect of the organization to reinforce the new culture.

GPO leadership has not adopted a set of agencywide core values to help unify GPO to achieve its transformation, but has created a task team under the direction of the Deputy Chief of Staff to develop them. Although the core values have yet to be developed, they are referenced in draft performance agreements for its senior managers.

The experience of a GPO unit demonstrates the benefits of having core values. According to the Director of the Pueblo Document Distribution Center, core values were developed in 1998 that helped change the center's culture and focus employees on improving the center's performance. The employees at Pueblo had a series of meetings to develop and agree on the core values, thereby taking ownership of them and reinforcing employees' understanding that they were responsible for the success of the Pueblo facility. Figure 5 shows a banner detailing these core values that hangs prominently in the facility.

Figure 5: Banner Displayed at GPO's Pueblo Document Distribution Center



Source: GAO.

Employees said that the banner is a constant reminder that their individual and organizational success is dependent on how well they employ the core values as they serve their customers. The Pueblo Document Distribution Center Director said that establishing core values has helped employees take ownership for improving customer service, as measured by the center's per order error rate. He said that the employees understand the importance of these core values because most of their work is done on a reimbursable basis for other federal agency customers, the center's primary source of funding. Efforts to improve customer service are consistent with the recommendation made by the panel of printing and information dissemination experts we convened.

Recommended Next Steps

The Public Printer should

- articulate to all employees how the core values can guide GPO's transformation and serve to anchor GPO's transformation efforts and

- ensure core values developed by units within GPO are consistent with GPO's agencywide core values.

GPO Does Not Have a Transformation Plan, but Has Taken Steps to Demonstrate Progress

Because a transformation is a substantial commitment that could take years to complete, it must be carefully and closely managed. As a result, it is essential to establish and track implementation goals and establish a timeline to pinpoint performance shortfalls and gaps and suggest midcourse corrections. Further, research suggests that failure to adequately address—and often even consider—a wide variety of people and cultural issues is at the heart of unsuccessful transformations. Thus, people and cultural issues must be monitored from day one of a transformation.

Key transformation practice	Implementation steps
Set implementation goals and a timeline to build momentum and show progress from day one.	• Make public implementation goals and timeline. • Seek and monitor employee attitudes and take appropriate follow-up actions. • Identify cultural features of transforming organizations. • Attract and retain key talent. • Establish an organizationwide knowledge and skills inventory.

Make public implementation goals and timeline. GPO has not established a transformation plan with specific time frames and goals for which leadership would be held accountable. Although GPO leadership has stated that a critical phase of its transformation is to develop a strategic plan by the summer of 2004, other more specific goals and timelines for the transformation, which could be linked to those being included in the strategic plan, are under development.

GPO has the opportunity to ensure that its transformation remains on track and is ultimately successful by applying project management principles. Project management is a control mechanism that provides some assurance that desired outcomes can be achieved. It involves establishing key goals, tasks, time frames, and responsibilities that guide project accomplishment and ensure accountability. GPO leaders have acknowledged general weaknesses in GPO's project management capabilities and have identified this as a skills gap that is being addressed through training initiatives. By enhancing project management skills at various levels of the organization and applying project management principles to key efforts like the

transformation, GPO can have greater assurance that these efforts will produce desired outcomes.

Seek and monitor employee attitudes and take appropriate follow-up actions. Because people are the drivers of any merger or transformation, monitoring their attitudes is vital. Top leadership should also take appropriate follow-up actions to avoid creating negative attitudes that may translate into actions that could have a detrimental effect on the transformation.

In February 2003, GPO leadership sought employee attitudes by implementing an employee climate survey, an important first step to establish a baseline on employee attitudes and concerns. After the survey was completed, GPO leadership adopted recommendations to address employee concerns. GPO will have the opportunity to take additional follow-up actions based on a second employee survey it plans to administer in the coming months. This survey has the potential to provide GPO leadership with updated information on GPO employee attitudes and views on GPO's transformation.

Identify cultural features of transforming organizations. Because a change of culture is at the heart of a successful transformation, it is important for leadership to gain a better understanding of the organization's beliefs and values prior to, or early in, the transformation process. By listening to GPO employees and customers, GPO management determined that its culture was not sufficiently customer focused in dealing with agencies' printing needs. Instead, GPO relied on the requirement in Title 44 that federal agencies use GPO for their printing needs and made little effort to develop customer relationships and anticipate the needs of its customers. As mentioned earlier, to foster a more customer-oriented culture, GPO has created new positions, national account managers, responsible for developing relationships with customer agencies. The national account managers' role is to develop relationships with agency customers and provide them with information about the products and services that GPO can offer to meet their information dissemination needs.

Similarly, GPO's former CHCO spoke with GPO employees about their views of the Human Capital Office and identified features of the office's culture that he is trying to change. The recent restructing of the Human Capital Office is aimed at creating a culture that is more customer focused, breaking down organizational barriers, and enhancing internal and external communication. For example, the Human Capital Office has been

reorganized into teams dedicated to support GPO's operating units. These teams will be able to address the full range of human resources activities, from hiring to retirement, as well as worker safety issues. According to GPO, physically locating the human capital team members with the business unit staff ensures that the operating units' human resources needs are more easily met, improves communication between the units and the Human Capital Office, and allows for faster decision making.

Attract and retain key talent. Success is more likely when the best people are selected for each position based on the competencies needed for the new organization. To help ensure that GPO retained key talent needed for GPO's transformation, the Public Printer appointed experienced GPO employees to fill the top management positions of Superintendent of Documents, Managing Director of Customer Services, and Managing Director of Plant Operations. (One of the three employees has over 40 years of experience at GPO.) According to the Public Printer, each of these individuals is committed to helping GPO transform and successfully meet the needs and demands of GPO's customers in the 21st century. In addition, these appointments ensured that a vast amount of institutional knowledge remained at GPO during the transformation and were meant to give other current GPO employees a clear message that, while GPO is transforming and changing the way it does business, there is a place for current GPO employees at all levels of the new organization.

To ensure that GPO attracts the people it needs to successfully transform and to obtain the next generation of technical skills needed to prepare GPO for the challenges of the 21st century, the Public Printer has increased the recruitment of outstanding college scholars. GPO has implemented a recruiting initiative at universities and colleges that emphasize fields of study that would benefit GPO in meeting its current and emerging needs. For example, the initiative will target graduates in printing and graphic communication; electrical, mechanical, and chemical engineering; and business administration.

In response to a request from the General Counsel of GPO, we recently provided an advance decision that GPO may use appropriated funds to provide recruitment and relocation payments and retention allowances to certain GPO employees, but suggested that it consult with the Joint Committee on Printing before doing so.[23] GPO is exploring these and other

[23]B-301837 (Apr. 28, 2004).

strategies to enhance its ability to recruit and retain top talent with needed skills and knowledge. We have reported that agencies have successfully used human capital flexibilities, such as recruitment and retention allowances, as important human capital strategies to assist in reaching program goals.[24]

Establish an organizationwide knowledge and skills inventory. A knowledge and skills inventory can help a transforming organization identify the skills and competencies of the existing workforce that can help the organization adapt to its new mission. In addition, a transforming organization needs to define the critical skills and competencies that it will require in the future to meet its strategic program goals and identify how it will obtain these requirements, including those that it will need to acquire, develop, and retain (including full- and part-time federal staff and contractors) to meet future needs.[25]

GPO's Human Capital Office is planning to complete a knowledge and skills inventory to identify the skills and competencies of the existing workforce. In a memorandum to all GPO employees, the former CHCO explained that the Workforce Development Department will undertake a comprehensive skills assessment involving all employees to strategically determine how GPO will need to retrain the workforce as the transformation proceeds. The skills assessment will include a number of measurement tools and methods, including skills tests, electronic and paper-based surveys, interviews, focus groups, and observations of work. The knowledge and skills inventory could help GPO as it reorganizes and shifts focus to new missions and competencies.

Knowledge and skills inventories have been used by agencies to identify related training needs. We have reported that agencies have used a variety of approaches in assessing skills and competencies to identify training needs. For example, agencies used workforce planning models; assessed the workforce in view of organizational, occupational, and unit-based

[24]U.S. General Accounting Office, *Human Capital: Effective Use of Flexibilities Can Assist Agencies in Managing Their Workforces*, GAO-03-2 (Washington, D.C.: Dec. 6, 2002).

[25]U.S. General Accounting Office, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

competency standards; and evaluated job performance appraisals and information from individual development plans.[26]

While GPO completes the skills assessment of its current employees, it plans to also complete a systematic identification of new skills and competencies that it will need in the future. When GPO leadership completes both of these efforts, it will be able to pinpoint skills gaps within its workforce and develop strategies to ensure that GPO retains, develops, and acquires employees with these skills. These efforts can serve to help employees understand how they can enhance their skills to contribute to GPO's future and are consistent with the recommendation to strengthen training made by the panel of printing and information dissemination experts that we convened.

The skills inventory is an important step to ensure that GPO employs people with the skills necessary for its future mission. However, until GPO leadership finalizes the mission and goals of the transformed GPO, it cannot determine fully the skills needed to achieve current and future programmatic results or develop strategies focused on those skills.

Recommended Next Steps

The Public Printer should develop a documented transformation plan that

- outlines his goals for the transformation and when he expects to meet these goals and
- identifies critical phases and essential activities that need to be completed.

The CHCO should

- determine, based on the results of the upcoming employee survey, whether any changes are needed to the transformation strategies and
- ensure that the development of human capital strategies focuses on the skills gaps identified by GPO leadership.

[26]U.S. General Accounting Office, *Human Capital: Selected Agencies' Experiences and Lessons Learned in Designing Training and Development Programs*, GAO-04-291 (Washington, D.C.: Jan. 30, 2004).

GPO's Management Team Is in Place, but Attention to Daily Transformational Activities Could Be Strengthened

Dedicating a strong and stable implementation team that will be responsible for the transformation's day-to-day management is important to ensuring that it receives the focused, full-time attention needed to be sustained and successful. Specifically, the implementation team is important to ensuring that various change initiatives are sequenced and implemented in a coherent and integrated way. Top leadership must vest the team with the necessary authority and resources to set priorities, make timely decisions, and move quickly to implement top leadership's decisions about the transformation.

Key transformation practice	Implementation steps
Dedicate an implementation team to manage the transformation process.	• Establish networks to support implementation team. • Select high-performing team members.

The Public Printer has put in place a senior management team, referred to as the management council, which can help bring GPO into the future. This council is composed of the COO, CFO, CHCO, CIO, Superintendent of Documents, Managing Director of Plant Operations, Managing Director of Customer Services, the Chief of Staff, the Deputy Chief of Staff, General Counsel, and the Inspector General. According to GPO officials, the management council does not have regularly scheduled meetings and only meets when convened by the Public Printer. About 80 percent of the management council's time is devoted to long-term, transformational activities, while 20 percent of the time is devoted to addressing day-to-day operational issues.

A second management team, referred to as the operations council, is composed of the CFO, CHCO, CIO, Superintendent of Documents, Managing Director of Plant Operations, and Managing Director of Customer Services; this council meets weekly with the COO. According to GPO officials, this council spends about 80 percent of its time dealing with day-to-day operations and 20 percent with transformation issues. Although the operations council occasionally discusses transformation-related issues, its meetings are not structured around specific transformation tasks or decisions required to make progress on the transformation. Instead, the meetings give each member of the council an opportunity to provide an update on issues affecting his or her unit's operations, improve communication among GPO's top managers, and ensure that crosscutting issues in day-to-day operations receive management attention.

GPO leadership recognizes the importance of establishing networks to support its transformation efforts, and it is creating a network of task forces to lead the development of various transformational strategies. For example, GPO created a task force to focus on "revenue enhancements and new investments." This task force will be chaired by the CFO, and will include members of other GPO business units, such as New Business Development and Information Technology and Systems. The Public Printer directed the chairpersons of the task teams to select task force members and develop the strategies that will be the basis for GPO's strategic plan by June 17, 2004. Our work on transformations has found that establishing networks, including a senior executive council, functional teams, or crosscutting teams, can help the implementation team conduct the day-to-day activities of the transformation and help ensure that efforts are coordinated and integrated.

GPO leaders have acknowledged that creating the support capacity and accountability for daily transformation activities could help ensure that the transformation continues to make progress. These leaders said that responsibilities for day-to-day transformation activities could include setting priorities, proposing milestones, tracking progress, providing analysis to support decision making, and coordinating among teams.

Recommended Next Steps

The Public Printer should establish a transformation team, or augment the management council, to address the day-to-day management of GPO's transformation effort. The team should include high-performing employees who have knowledge and competencies that could help GPO plan its future. Establishing such a team could create the focus needed to stimulate and sustain GPO's transformation efforts.

GPO Is Planning Changes to Strengthen Its Performance Management System

A performance management system can help manage and direct the transformation process and serves as the basis for setting expectations for individuals' roles in the transformation. To be successful, transformation efforts must have leaders, managers, and employees who have the individual competencies to integrate and create synergy among the multiple operating units involved in the transformation effort. Individual performance and contributions are evaluated on competencies such as change management, cultural sensitivity, teamwork and collaboration, and information sharing. Leaders, managers, and employees who demonstrate

these competencies are rewarded for their success in contributing to the achievement of the transformation process.

Key transformation practice	Implementation step
Use the performance management system to define responsibility and assure accountability for change.	Adopt leading practices to implement effective performance management systems with adequate safeguards.[a]

[a] For information on key practices that we have identified for implementing effective performance management systems, see U.S. General Accounting Office, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success,* GAO-03-488 (Washington, D.C.: Mar. 14, 2003).

GPO plans to implement a new performance management system for its executives and will later work on changes for employees at other organizational levels. As part of this effort, GPO is exploring the use of competencies to provide a fuller assessment of performance. For example, GPO has developed performance agreements for its senior managers based upon the executive core qualifications adopted by the Office of Personnel Management for senior executives and included responsibilities such as leading strategic change. Each responsibility will be linked to three or four competencies. Additionally, the draft performance agreements include interim goals that GPO developed for its operating units and other elements that we have identified as important for executive performance.[27] They include, for example, specific levels of performance that GPO plans to link to strategic objectives to help senior executives see how they directly contribute to organizational results.

Until GPO's strategic plan is completed, however, GPO will not be able to fully align individual performance competencies or expectations with organizational goals. The completion of the strategic plan will provide human capital officials with the information needed to develop competencies and expectations for employees that have a direct link to GPO's goals, providing employees with the information they need to understand how their performance leads to organizational success.

As part of GPO's effort to strengthen performance management, GPO plans to pilot a new system that, beginning with its senior executives, will more

[27]U.S. General Accounting Office, *Human Capital: Senior Executive Performance Management Can Be Significantly Strengthened to Achieve Results*, GAO-04-614 (Washington, D.C.: May 26, 2004).

closely link an individual's pay with his or her performance. Linking pay to performance is a key practice for effective performance management. We have reported that efforts to link pay to performance require adequate safeguards,[28] including reasonable transparency and appropriate accountability mechanisms, to ensure the fair, effective, and nondiscriminatory implementation of the system. The Human Resources Office has begun developing a pay-for-performance program that will use measures of effectiveness that directly link individual performance with organizational goals and objectives. The newly established Workforce Development, Education and Training Office will be required to develop and deliver training to supervisors and managers on performance management. The objective is to ensure that supervisors and managers are equipped with the necessary skills to effectively manage their employees, help drive change efforts, and achieve results.

Recommended Next Steps

The CHCO should continue developing a performance management system for all GPO employees that creates a line of sight by linking employee performance with agency goals. The CHCO should ensure that GPO's new performance management system has adequate safeguards, including reasonable transparency and appropriate accountability mechanisms, to ensure the fair, effective, and nondiscriminatory implementation of the system.

GPO Has Improved Communication, but Can Better Address Employee Needs

Communication, an important management control, is most effective when done early, clearly, and often, and when it is downward, upward, and lateral. Successful organizations have comprehensive communication strategies that reach out to employees, customers, and stakeholders and seek to genuinely engage them in the transformation process.

Key implementation practice	Implementation steps
Establish a communication strategy to create shared expectations and report related progress.	• Communicate early and often to build trust. • Ensure consistency of message. • Encourage two-way communication. • Provide information to meet specific needs of employees.

[28]GAO-03-488.

The Public Printer communicated his intention to transform GPO early and often and to various audiences. For example, in his confirmation hearing in October 2002, the Public Printer told Congress that GPO "must step back and take a new look at the changing and emerging information needs of its customers and develop a deeper understanding of its true strengths so that it can determine how best to build a new business model." Then again, just 8 days after the Public Printer took office, he publicly stated his intention to transform GPO. In his communications with employees, the Public Printer has also frequently expressed his intention to transform GPO. For example, GPO's biweekly management newsletter, the *GPO Link*, often contains articles about GPO's transformation. Transforming organizations have found that communicating information early and often helps to build an understanding of the purpose of the planned changes and builds trust among employees and stakeholders.

GPO leadership has communicated a consistent message about the transformation to employees, customers, and other stakeholders through such methods as sponsoring conferences, attending customers' meetings, and speaking with relevant trade magazines. For example, in correspondence with the Congress, employees, and the library community, the Public Printer and other senior managers have used similar terms and concepts when discussing GPO's transformation. This consistency is important in ensuring that GPO's employees, customers, and other stakeholders understand the current environment under which GPO operates. A message to employees and others affected by a transformation that is consistent in tone and content can alleviate the uncertainties generated during the unsettled times of large-scale change management initiatives.

GPO leadership has encouraged two-way communication by instituting methods for employees and others to provide feedback and ask questions. For example, GPO's intranet site has a section called "Ask the Public Printer." On the site, the Public Printer fields questions on issues ranging from training opportunities, to building renovation issues, to contingency planning. In addition, the Public Printer holds periodic town hall meetings that include time for employees in attendance to ask him questions in person. In addition, stakeholders have been asked to communicate with GPO leaders. For example, on January 22, 2004, the Depository Library

Council[29] provided GPO with advice on topics that the Public Printer identified as important to the future of GPO. The Public Printer expects to use feedback from stakeholders such as the Depository Library Council as GPO develops its strategic plan. Two-way communication is central to forming the effective internal and external partnerships that are vital to the success of any organization.

GPO leadership has also made significant efforts to improve communication between management and employees. For example, GPO established the Employee Communications Office, which was developed with the vision "to have the best informed workforce in the U.S. Government by over-communicating organizational clarity and the mission and vision of the new GPO." An important initiative undertaken by the Employee Communications Office is the development of *GPO Link*, a biweekly newsletter that reports on activities of GPO's top managers.

Despite these efforts, because GPO's future mission and strategies have not yet been decided, the Public Printer has been unable to communicate the nature of the change that GPO needs to make in a way that addresses the specific needs of employees. During a communications focus group GPO held in October 2003, employees stated that recent efforts to improve communication were positive, but failed to provide the specific information needed to alleviate job concerns. These concerns were also voiced during town hall meetings led by the Public Printer in January 2004 and were consistent with concerns raised by union representatives in their discussions with us about GPO's transformation. Employees have indicated they are unsure about their future in the new GPO, and are seeking specific information on the skills they will need to remain useful to GPO. Communicating with employees about their specific concerns can help them understand how they might be affected and how their responsibilities might change with the new organization.

GPO managers, union leaders, and employees have indicated that employees are unsure of their role in GPO's transformation. Union leaders told us that much of the communication has been rhetoric with insufficient detail regarding how the transformation will affect employees. For example, the Public Printer has stated that the transformation will bring GPO into the 21st century, but the specifics of what jobs might be lost or

[29]The Depository Library Council is an organization established to provide advice on policy matters dealing with the Depository Library Program.

changed have not been discussed because GPO is developing its mission and strategic plan.

Recommended Next Steps

The Public Printer can augment GPO's communication about the transformation to include additional information that employees can use to understand their role in building the GPO of the 21st century. As GPO's strategic planning effort moves forward, communication with employees should include topics such as GPO's new mission, strategic goals, and in particular, employee concerns about their role in the new environment. As key decisions are made, communication should address how GPO's transformation will affect employees so that they understand how their jobs may be affected, what their rights and protections might be, and how their responsibilities might change.

GPO Can Expand the Involvement of Employees in the Transformation

Employee involvement strengthens the transformation process by including frontline perspectives and experiences. Further, employee involvement helps to create the opportunity to establish new networks and break down existing organizational silos, increase employees' understanding and acceptance of organizational goals and objectives, and gain ownership for new policies and procedures.

Key transformation practice	Implementation steps
Involve employees to obtain their ideas and gain their ownership for the transformation.	• Use employee teams. • Involve employees in planning and sharing performance information. • Incorporate employee feedback into new policies and procedures. • Delegate authority to appropriate organizational levels.

The former and Acting CHCO, CIO, CFO, and Managing Director of Customer Services told us that they are adopting team-based approaches for accomplishing their units' goals, which includes improved customer service. For example, GPO combined the former procurement division with the customer services division to create teams of employees who have a range of skills to address customer needs. Previously, GPO's customers were shuffled between these two divisions, neither of which was clearly accountable for addressing the customers' needs. A GPO official explained that by changing to a team approach, where a group of about five employees is responsible for all work with a customer, accountability for meeting the needs of that customer is clear and may lead to improved

service. A teams-based approach to operations can create an environment characterized by open communication, enhanced flexibility in meeting job demands, and a sense of shared responsibility for accomplishing organization goals and objectives.

GPO units can expand the involvement of employees and use their feedback in planning and sharing performance information, which can help employees accept and understand the goals of their units and their role in achieving them. For example, GPO officials told us that the CFO has shared goals for his division with his managers, who have, in turn, shared the goals with their employees. Therefore, all employees under the CFO know the goals of the division and how their work and performance helps realize the goals. However, not all division managers have shared goals with their employees. The practice of involving employees in planning and sharing performance information can be transferred to other GPO units as GPO's transformation progresses.

Major transformations, like GPO's, often include redesigning work processes, changing work rules, or making other changes that are of particular concern to employees. GPO has made or plans to make changes to many of its policies and procedures. As we mentioned earlier, for example, GPO is planning to pilot test a new pay-for-performance system, beginning with its senior managers. We have reported on other agencies' attempts to involve employees and unions in developing aspects of its personnel systems.[30] For example, at the Department of Homeland Security, employees and union representatives played a role in shaping the design of a proposed personnel system. The design process attempted to include employees by creating multiple opportunities for employees to provide feedback.

GPO has taken some actions to delegate authority to employees. Soon after the new Public Printer took office, GPO instituted a time-off awards program, which provides supervisors with a means to recognize employees for their productivity, creativity, dedication, and outstanding contributions to the mission of GPO. Before GPO created this award program, supervisors did not have the authority to recognize and reward outstanding performance. In a transformation, employees are more likely to support

[30]U.S. General Accounting Office, *Human Capital: DHS Personnel System Design Effort Provides for Collaboration and Employee Participation*, GAO-03-1099 (Washington, D.C.: Sept. 30, 2003).

changes when they have the necessary authority and flexibility—along with commensurate accountability and incentives—to advance the organization's goals and improve performance.

Delegating certain personnel authorities is important for managers and supervisors who know the most about an organization's programs and can use those authorities to make those programs work. The former Deputy Public Printer told us that decision making on many day-to-day matters was centralized within his office. For example, his approval was required for all training requests from GPO employees. The current Public Printer has delegated authority to approve training to lower level managers who are more familiar with the employees' work requirements and, therefore, have a better understanding of the training individual employees need to improve their performance.

We have reported that agency managers and employees have important roles in the success of training and development activities.[31] Managers are responsible not only for reinforcing new competencies, skills, and behaviors but also for removing barriers to help employees implement learned behaviors on the job. Furthermore, if managers understand and support the objectives of training and development efforts, they can provide opportunities for employees to successfully use new skills and competencies and can model the behavior they expect to see in their employees. Employees also need to understand the goals of agencies' training and development efforts and accept responsibility for developing their competencies and careers, as well as for improving their organizations' performance.

Recommended Next Steps

GPO leadership should involve employees more in planning and decision making for the future, allowing employees to gain ownership of the transformation. For example, the CHCO should incorporate employee feedback as part of the process for developing GPO's pay for performance system and in training and development activities.

[31]U.S. General Accounting Office, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, GAO-04-546G (Washington, D.C.: March 2004).

World-Class Management Practices Can Strengthen GPO's Transformation

Successful change efforts start with a vision of radically improved performance and the relentless pursuit of that vision. Leaders of successful transformations seek to implement best practices in systems and processes and guard against automatically retaining the approaches used in the past. Instead of developing optimal systems and processes, transforming organizations risk devoting attention to attempting to mend less than fully efficient and effective systems and processes merely because they are already in place. Over the longer term, leaders of successful mergers and acquisitions, like leaders of successful organizations generally, seek to learn from best practices and create a set of systems and processes that are tailored to the specific needs and circumstances of the transforming organization.

GPO leadership has articulated a vision to transform GPO into a world-class organization and has taken some initial steps toward this objective, most notably with respect to human capital management. However, because significant change efforts are difficult and take a long time, continued leadership attention is needed. The commitment of the Public Printer, the appointment of a COO, and other key leadership selections are positive steps in this regard. In particular, we have reported that COOs can be part of a broader effort to elevate attention to management and transformation issues, integrate various key management and transformation efforts, and institutionalize accountability for addressing management issues leading a transformation. By their very nature, the problems and challenges facing agencies are crosscutting and thus require coordinated and integrated solutions. However, the risk is that management responsibilities (including, but not limited to, information technology, financial management, and human capital) will be "stovepiped" and thus will not be carried out in a comprehensive, ongoing, and integrated manner.[32]

GPO Has Taken Numerous Actions to Strengthen Human Capital Management

Having effective human capital policies and procedures is a critical factor in an organization's management control environment. GPO's efforts to strengthen human capital management demonstrate a commitment to these management controls.

[32]U.S. General Accounting Office, *Human Capital: Observations on Agencies' Implementation of the Chief Human Capital Officers Act*, GAO-04-800T (Washington, D.C.: May 18, 2004).

In October 2003, we reported on how GPO leadership could advance its transformation through strategic human capital management and made numerous recommendations to GPO leadership that were based on leading practices in strategic human capital management.[33] Taken as a whole, these recommendations represent a framework for radically improving GPO's human capital practices. GPO's Human Capital Office is using our October 2003 report[34] as GPO's roadmap for transforming its human capital management and is actively implementing the recommendations we made. Much of GPO's progress in improving its human capital management has been described previously in this report. Our recommendations focus on four interrelated areas:

- communicating the role of managers in GPO's transformation,
- strengthening the role of the human resources office,
- developing a strategic workforce plan to ensure GPO has the skills and knowledge it needs for the future, and
- using a strategic performance management system to drive change.

GPO has made clear progress toward adopting the leading practices that we described in our October report, and has shown a continuing interest in improving GPO's Human Capital Office by identifying management best practices used by other organizations. The experience of transforming organizations, including GAO, has shown that transformation must be based on the best, most up-to-date management practices to reach its full potential.[35] Consistent with this practice, GPO leadership requested our assistance in identifying and describing approaches and strategies used by other organizations to restructure their workforces.

In response to this request, on January 20, 2004, we briefed GPO leadership on the workforce restructuring efforts of the Federal Deposit Insurance

[33]GAO-04-85.

[34]U.S. General Accounting Office, *Government Printing Office: Advancing GPO's Transformation Effort through Strategic Human Capital* Management, GAO-04-85 (Washington, D.C.: Oct. 20, 2003).

[35]U.S. General Accounting Office, *Results-Oriented Government: Shaping the Government to Meet 21st Century Challenges*, GAO-03-1168T (Washington, D.C.: Sept. 17, 2003).

Corporation, GAO, and the Treasury's Financial Management Service. The briefing presented the lessons that these agencies learned from their workforce restructuring efforts, with particular emphasis on efforts to assist employees in finding other employment. The approaches and strategies we highlighted were retraining, outplacement assistance, workforce restructuring planning, communication, and employee and union involvement. Our briefing contained specific examples, related agency materials, and contacts that could provide further information and assistance to GPO.

GPO's CIO Organization Has Begun to Transform

The Public Printer has stated that the new vision of GPO will be an agency whose primary mission will be to capture digitally, organize, maintain, authenticate, distribute, and provide permanent public access to the information products and services of the federal government. To execute this vision, he states that GPO must deploy the technology needed by federal agencies and the public to gather and produce digital documents in a uniformly structured database in order to authenticate documents disseminated over the Internet and to preserve the information for permanent public access.

However, improved information technology (IT) systems such as those contained in the Public Printer's vision are not simple to develop or acquire. Through our research of best IT management practices and our evaluations of agency IT management performance, we have identified a set of essential and complementary management disciplines that provide a sound foundation for IT management. These include

- enterprise architecture,
- IT investment management,
- software/system development and acquisition,
- information security, and
- IT human capital.

GPO's CIO understands that his IT organization, like all of GPO, will have to transform to meet current and future needs. More specifically, he acknowledges the need to establish IT management policies, procedures,

and practices in the key areas listed above. The CIO has taken steps, or plans to take steps, to begin improving IT in each of these areas.

Enterprise Architecture

An enterprise architecture is to an organization's operations and systems as a set of blueprints is to a building. That is, building blueprints provide those who own, construct, and maintain the building with a clear and understandable picture of the building's uses, features, functions, and supporting systems, including relevant building standards. Further, the building blueprints capture the relationships among building components and govern the construction process. Enterprise architectures do nothing less, providing to people at all organizational levels an explicit, common, and meaningful structural frame of reference that allows an agency to understand (1) what the enterprise does; (2) when, where, how, and why it does it; and (3) what it uses to do it.

An enterprise architecture provides a clear and comprehensive picture of the structure of an entity, whether an organization or a functional or mission area. This picture consists of snapshots of both the enterprise's current or "as-is" technical and operational environments, its target or "to-be" technical and operational environments, and a capital investment roadmap for transitioning from the current environment to the target environment. An enterprise architecture is an essential tool for effectively and efficiently engineering business practices, implementing and evolving supporting systems, and transforming an organization. Managed properly, it can clarify and help optimize the interdependencies and relationships among an organization's business operations and the underlying IT infrastructure and applications that support these operations. Employed in concert with other important management controls, such as portfolio-based capital planning and investment control processes, architectures can greatly increase the chances that organizations' operational and IT environments will be configured to optimize mission performance. Our experience with federal agencies has shown that investing in IT without defining these investments in the context of an enterprise architecture often results in systems that are duplicative, not well integrated, and unnecessarily costly to maintain and interface. The development of an enterprise architecture is an essential part of a successful organizational transformation.

Our research has shown that an organization should ensure that adequate resources are provided for developing the architecture and that responsibility for directing, overseeing, and approving enterprise architecture development is assigned to a committee or group with

representation from across the organization. Establishing this organizationwide responsibility and accountability is important in demonstrating the organization's commitment to building the management foundation and obtaining support for the development and use of the enterprise architecture from across the organization. This group should include executive-level representatives from each line of business, and these representatives should have the authority to commit resources to architecture-related efforts and enforce decisions within their respective organizational units. Our research shows that enterprise architecture efforts also benefit from developing an architecture program management plan that specifies how and when the architecture is to be developed, including a detailed work breakdown structure, resource estimates (e.g., funding, staffing, and training), performance measures, and management controls for developing and maintaining the architecture. The plan demonstrates the organizations' commitment to managing enterprise architecture development and maintenance.

Currently, GPO does not have such an enterprise architecture. Its CIO agrees that an enterprise architecture is an important tool and is working to develop one for GPO. As the first step towards developing an enterprise architecture, the CIO organization is in the process of documenting GPO's current business processes and supporting IT architecture (the "as-is" enterprise architecture). In doing this work, the agency is focusing first on those business items of greater interest to two sets of critical customers—the Congress and users of the *Federal Register*. The CIO has also hired a manager to lead this effort who has significant experience in the development and institutionalization of enterprise architecture and related processes.

Investment Management

In concert with a properly developed and institutionalized enterprise architecture, an effective and efficient IT investment management process is key to a successful transformation effort. An effective and efficient IT investment process allows agencies to maximize the value of their IT investments and to minimize the risks of IT acquisitions. This is critically important because IT projects, while having the capability to significantly improve an organization's performance, can become very costly, risky, and unproductive. Federal agency IT projects too frequently incur cost overruns and schedule slippages while contributing little to mission-related outcomes.

GPO's transformation may require significant investment in IT and related efforts. Therefore, it is essential that GPO effectively manage such

investments. We have developed a guide to effective IT investment management based on a select/control/evaluate model:

- *Select.* The organization (1) identifies and analyzes each project's risks and returns before committing significant funds to any project and (2) selects those IT projects that best support its mission needs. This process should be repeated each time, reselecting even ongoing investments, as described below.

- *Control.* The organization ensures that, as projects develop and investment expenditures continue, the project continues to meet mission needs at the expected levels of cost and risk. If the project is not meeting expectations or if problems have arisen, steps are quickly taken to address the deficiencies. If mission needs have changed, the organization can adjust its objectives for the project and appropriately modify expected project outcomes.

- *Evaluate.* The organization compares actual versus expected outcomes after a project is fully implemented. This is done to (1) assess the project's impact on mission performance, (2) identify any changes or modifications to the project that may be needed, and (3) revise the investment management process based on lessons learned.

To oversee the investment management process, an investment review board is established, made up of managers, that is responsible and accountable for selecting and monitoring projects based on the agency's investment management criteria. The IT investment board is a key component in the investment management process. An organizationwide investment board has oversight responsibilities for developing and maintaining the organization's documented IT investment process. It plays a key role in establishing an appropriate IT investment management structure and processes for selecting, controlling, and evaluating IT investments. The organization may choose to make this board the same board that provides executive guidance and support for the enterprise architecture. Such overlap of responsibilities may enhance the ability of the board to ensure that investment decisions are consistent with the architecture and that it reflects the needs of the organization.

This model allows an organization to effectively choose, monitor, and evaluate projects. GPO intends to complete a major transformation of itself within a few years, with most of its transformation based on improved IT

capabilities. For an organization like GPO, in the midst of transformation, effective oversight of its IT investments is essential.

Currently, GPO does not have an IT investment management process. GPO's CIO said that his review of projects at GPO indicated that in the past, for example, most projects were selected without documentation such as a cost-benefit analysis, economic justification, alternatives analysis, and fully validated requirements. The CIO's long-term goal is to implement a standard investment management process requiring such items. As a beginning, he is working on a list of required documents that each new information technology proposal will have to provide before it can be approved by GPO management. He is holding workshops aimed at introducing the business managers to this documentation and providing training in the meaning and use of these documents in support of project initiation.

Software/System Development and Acquisition Capability

Underlying enterprise architecture management and investment management is the ability to effectively and efficiently develop and acquire systems and software. GPO's CIO is aware that his organization's development and acquisition capabilities could be improved and plans to take steps to achieve these improvements.

The CIO has tasked one of his new managers to begin improving key process areas for software development and acquisition. On the basis of this manager's recommendation, GPO has selected the software acquisition models of the Institute of Electrical and Electronics Engineers (IEEE) as its standard for this process. The IEEE defines a nine-step process for the acquisition of software, which GPO plans to implement for future software acquisitions. The CIO also plans to implement a process for software development, but has not determined which model to use.

IT Security

Dramatic increases in computer interconnectivity, especially in the use of the Internet, are revolutionizing the way our government, our nation, and much of the world communicate and do business. The benefits from this have been enormous. However, this widespread interconnectivity poses significant risks to computer systems and, more importantly, to the critical operations and infrastructures they support, such as telecommunications, power distribution, and national defense. The same factors that benefit operations—speed and accessibility—if not properly controlled, also make it possible for individuals and organizations to inexpensively interfere with or eavesdrop on these operations from remote locations for purposes of fraud or sabotage, or for other malicious or mischievous purposes. In

addition, natural disasters and inadvertent errors by authorized computer users can have devastating consequences if information resources are poorly protected.

As GPO transforms, its information resources will become increasingly dependent upon correctly functioning IT. Whereas in the past, GPO needed only to have several paper copies of each document available, greater security measures will be required as GPO implements a database for permanent public access to all federal government information.

GPO's current information security could be improved. In fiscal year 2003, an independent audit of GPO's internal controls, done as part of a review of GPO's financial statements,[36] found that GPO did not have in place an effective security management structure that provides a framework and continuing cycle of activity for managing risk, developing security policies, and monitoring the accuracy of GPO's computer security controls. Among the specific findings:

- Security-related policies and procedures had not been documented or had not been kept current and did not reflect GPO's current environment. These policies also provided no guidance for developing risk assessment programs.

- Local network administrators did not have guidance in developing formal procedures to perform network administration duties, such as creating and maintaining user accounts, periodically reviewing user accounts, and reviewing audit logs.

- GPO had not established a comprehensive business continuity and disaster recovery plan for its mainframe, client-server platforms, and major software applications.

The CIO has ongoing projects aimed at addressing each of the issues outlined by the audit organization. First, he is in the process of issuing new security-related policies and procedures reflecting GPO's current environment. The CIO's security organization is also working on policies and procedures and guidance for local network administrators. Finally, GPO is negotiating with other legislative branch agencies to use their

[36]*GPO Annual Report, Fiscal Year 2003, Independent Auditor's Report* (Washington, D.C.: 2003).

backup computer facility and is developing a business continuity and disaster recovery plan for GPO's platforms and major software applications.

IT Human Capital

As mentioned earlier, the Public Printer has emphasized the importance of strategically managing GPO's people in order to successfully transform the organization. The CIO, like other GPO managers, considers human capital a vital part of his organization's operations as well as critical to the success of GPO's transformation efforts.

The CIO and his managers are reviewing the current human capital situation and taking interim steps to improve. At the same time, they are working with GPO's human capital organization to develop a strategy to improve GPO's human capital management capability for the long term. For example, the CIO has tasked each IT area manager to complete such a review of his or her staff and report the results to the CIO. While a few needed skill sets will be hired from the outside, the emphasis for the CIO organization in the near term will be on finding needed skills inside the organization and retraining individuals with related skills. The CIO is also providing training to his CIO staff on project management and related issues.

Recommended Next Steps

Like efforts in other parts of GPO, the CIO's actions to improve GPO's IT capabilities are important first steps. However, much more needs to be done to establish an effective IT investment process, to establish an enterprise architecture, and to improve the agency's system development and acquisition, security, and human capital capabilities. Therefore, we recommend that the Public Printer direct the GPO CIO to do the following.

- Begin an effort to create and implement a comprehensive plan for the development of an enterprise architecture that addresses completion of GPO's current or "as-is" architecture, development of a target or "to-be" architecture, and development of a capital investment plan for transitioning from the current to the target architecture. As part of the capital investment plan, designate an architecture review board of agency executives who are responsible and accountable for overseeing and approving architecture development and maintenance, and establish an enterprise architecture program management plan.

- Begin an effort to develop and implement an investment management process by (1) developing guidance for the selection, control, and evaluation processes and then (2) establishing an investment review

board responsible and accountable for endorsing the guidance, monitoring its implementation, and executing decisions on projects based on the guidance.

- Develop and implement a comprehensive plan for software development and acquisition process improvement that specifies measurable goals and time frames, sets priorities for initiatives, estimates resource requirements (for training staff and funding), and defines a process improvement management structure.

- Establish the appropriate security and business continuity policies, procedures, and systems to ensure that its information products are adequately protected.

- Ensure that GPO's Human Capital Office, in its efforts to develop and implement a human capital strategy, considers the special needs of IT human capital.

Financial Management's Role in Supporting Transformation

Sound financial management practices that produce reliable and timely financial information for management decision making are a vital part of a strategic plan to achieve transformation. In recent testimony[37] the Public Printer acknowledged that GPO is in a precarious financial position with sustained significant financial losses over the past 5 years, which appear to be structural in nature. Such structural losses point out the clear need for transformation. In response to GPO's financial condition, the Public Printer has taken positive, immediate steps to stem losses, cut costs, and curtail certain program activities.

Given the importance of GPO's business transformation, it is imperative that transformation efforts be clearly linked to financial management results and receive the sustained leadership needed to improve the economy, efficiency, and effectiveness of GPO's business operations through its transformation plan. The transformation plan should provide a strategic-level "road map" from the current environment to the planned future environment, including a link to current cost-cutting and other

[37]Bruce R. James, Public Printer of the United States, Statement Before the Committee on House Administration U.S. House of Representatives "Transformation of the U.S. Government Printing Office to Meet the Demands of the 21st Century" (Washington, D.C.: Apr. 28, 2004).

financial improvement initiatives. In addition, management needs reliable and up-to-date information on progress, including financial results.

As discussed in our executive guide on best practices in financial management,[38] dramatic changes over the past decade in the business environment have driven finance organizations to reevaluate their role. The role of financial management and reporting will be critical to managing the progress and impact of GPO's transformation efforts.

In the transformation environment, GPO will need to define a vision for its financial management organization such that it is a value-creating, customer-focused partner in business results in order to build a world-class finance organization and to help achieve GPO's transformation goals. As reported and shown in figure 6, certain success factors, goals, and practices are instrumental in achieving financial management excellence.

[38]U.S. General Accounting Office, *Executive Guide: Creating Value Through World-class Financial Management*, GAO/AIMD-00-134 (Washington, D.C.: April 2000).

Figure 6: Achieving Best Practices in Financial Management

Vision: To be a value-creating, customer-focused partner in business results

Success factors →	• Leadership • Culture	• Organization • Customer	• Technology • Process	• People
Goals →	Make financial management an entitywide prority.	Redefine the role of finance.	Provide meaningful information to decision makers.	Build a team that delivers results.
Practices →	1. Build a foundation of control and accountability. 2. Provide clear strong executive leadership. 3. Use training to change the culture and engage line managers.	4. Assess the finance organization's current role in meeting mission objectives. 5. Maximize the efficiency of day-to-day accounting activities. 6. Organize finance to add value.	7. Develop systems that support the partnership between finance and operations. 8. Reengineer processes in conjunction with new technology. 9. Translate financial data into meaning-ful information.	10. Develop a finance team with the right mix of skills and competencies 11. Build a finance organization that attracts and retains talent.

Source: GAO.

We compared best practices that would be most applicable to GPO's financial management operations and transformation efforts to many of the activities and goals planned by GPO. Overall, GPO and its CFO have taken many actions and have plans for efforts that are consistent with many best practices in financial management; however, additional emphasis is needed for other best practices that enhance GPO's transformation and to ensure that planned efforts are fully supported. In addition, GPO's strategic planning for transformation should include the actions, plans, and goals to be initiated by its CFO and its financial management team to ensure that

GPO's weakening financial position does not undermine its transformation goals.

Making Financial Management an Entitywide Priority

Our prior report observes that the chief executive should recognize the important role the finance organization plays in improving overall business performance and involve key business managers in financial management improvement initiatives. This is especially important in a transformation environment. In order to make financial management an entitywide priority, the organization should (1) build a foundation of control and accountability, (2) provide clear strong executive leadership, and (3) use training to change the culture and engage line managers.

GPO has shown that financial reporting and the audit process are important management and oversight tools for building a foundation of control and accountability by routinely receiving "unqualified" audit opinions on its annual financial statements. In addition, GPO receives an opinion on its management assertion on internal controls from its external auditor. Additional accountability is provided through oversight from the GPO Office of Inspector General established by Title 44, U.S. Code, section 3901. Also, GPO has expanded reported financial information beyond audited financial statements to include performance information on revolving fund operations such as printing and binding operations, purchased printing, and procured printing.

Our executive guide on best practices in financial management also recognizes that the chief executive officers of leading organizations understand the important role that the CFO and the finance organization play in improving overall business performance of the organization. Consequently, the CFO is a central figure on the top management team and heavily involved in strategic planning and decision making. In this regard, the Public Printer established the CFO position shortly after arriving at GPO and has included the CFO as a member of the management council.

The key to successfully managing change and changing organizational culture is gaining the support of line management. To change the organizational culture and enlist the support of line managers, many organizations use training programs. This training may be geared towards providing line managers with a greater appreciation of the financial implications of their business decisions and transformation efforts.

GPO has engaged its nonfinancial managers with financial-related goals. For example, customer services, which includes purchased printing, has a goal of increasing revenue by identifying potential government work and increasing business to GPO. As discussed earlier in this report, account managers are assigned to increase revenue from federal agencies through regular customer agency visits, presentations at selected agencies to highlight GPO services, and targeting customers for specialized outreach efforts.

GPO could provide a greater emphasis on training its nonfinancial managers on the financial implications of business decisions and the value of financial information. Training on how to fully use the financial information they receive not only produces better managers, but also helps break down functional barriers that can affect productivity and impede improvement efforts, especially in a time of transformation. In addition, training and other tools facilitate and accelerate the pace of the change initiative, which helps to reduce the opposition that could ultimately undermine the effort.

Redefine the Role of Finance

Today, leading finance organizations are focusing more on internal customer requirements by providing products and service that directly support strategic decision making and ultimately improve overall business performance. Again, this is critical in a transformation environment. Best practices reported by our prior review of leading financial organizations include actions to (1) assess the finance organization's current role in meeting mission objectives, (2) maximize the efficiency of day-to-day accounting activities, and (3) organize finance to add value.

Consistent with best practices for redefining financial operations, GPO has plans to integrate on-line workflow systems for all major operations including the receipts and processing operations, to streamline the budget formulation process, and to eliminate all paper-based accounting and budget reports. Customer feedback is also useful both in the future to assess the perceived benefits of changes related to transformation and to use as a baseline on which to compare future changes. The CFO plans to establish a baseline of information on customer satisfaction based on our survey of GPO's major customers. This includes a planned assessment of customer satisfaction with services provided, identification of areas for improvement, implementation of plans to increase the value and efficiency of services provided, and identification of key performance measures.

Provide Meaningful Information to Decision Makers

Financial information is meaningful when it is useful, relevant, timely, and reliable. Therefore, organizations should have the systems and processes required to produce meaningful financial information needed for management decisions. Financial organizations should (1) develop systems that support the partnership between finance and operations, (2) reengineer processes in conjunction with new technology, and (3) translate financial data into meaningful information.

Our executive guide for best practices in financial management suggests that relevant financial information should be presented in an understandable, simple format, with suitable amounts of detail showing the financial impact and results of cost-cutting initiatives and transformation efforts. Leading finance organizations have designed reporting formats around key business drivers to provide executives and managers with relevant, forward-looking information on business unit performance. We believe that such reports can be a key to linking GPO's financial management efforts to transformation.

GPO provides financial information to its key decision makers that is consistent with best practices for reports that are useful and relevant to key decision makers. The GPO CFO provides monthly summaries for each of GPO's key operational areas, including plant operations, customer service, sales program, salaries and expenses programs, and administrative support operations, as well as other information on the status of appropriated funds, billings, and contractors. The information includes cumulative year-to-date summaries, profit and loss statements, use of employees and staff levels, and other information specific to each operational area. The CFO organization is developing plans to provide financial, administrative, and analytical support to all of GPO in addition to the monthly information packages provided to the management council.

GPO is also developing plans to replace legacy information systems to integrate and streamline internal and external ordering as well as inventory and accounts payable processes. GPO expects to greatly improve the monthly financial processes with information necessary to make calculations regarding time spent on performance or cost analysis and on transaction processing. This information can be useful in gauging office efficiencies as a result of changes and transformation efforts.

Build a Team That Delivers Results

The finance function has evolved over the past decade from a paper-driven, labor-intensive, clerical role to a more consultative role as advisor, analyst, and business partner. Many leading finance organizations have seen a corresponding shift in the mix of skills and competencies required to perform this new role.

GPO has plans and goals that are consistent with best practices for financial organizations. GPO should ensure that these plans are completed, fully supported, and expanded, especially in light of the critical function that finance will play in GPO's transformation efforts. Specifically, the CFO is completing input for training plans that include both skill and education assessments of administrative support staff, budget operations staff, and staff in the Office of Comptroller. The CFO stated that he is directly involved in recruiting talented staff for GPO's financial operations and is coordinating with the human resource office on developing a career path and opportunities for rotational assignments for financial-related staff.

While these planned and developed efforts are consistent with best practices for financial organizations, GPO should keep focused on the need to ensure that its financial professionals are equipped to meet new challenges and support their agency's mission and goals. This requires GPO to develop a finance team with the right mix of skills and competencies and to play the role needed in GPO's transformation efforts.

GPO has taken actions through ongoing efforts and planned goals that are often consistent with best practices for financial management. Nevertheless, unless it includes critical financial management activities in strategic plans for transformation, GPO creates the risk of undermining its ultimate goal of successful transformation. Without the link to transformation, GPO may lack the commitment to sustain sound financial management and lose the benefit of best practices that may be used as tools to assist decision makers during a period of great change.

We recommend that GPO

- emphasize training on the usefulness and understanding of financial information to nonfinancial managers who are critical to GPO's business operations;

- ensure that planned GPO and CFO efforts and goals in redefining the role of finance, providing information to decision makers, and building a

team that delivers results receive the full and consistent support of GPO's top management;

- ensure that management is receiving the financial information needed to manage day-to-day operations and track progress against transformation goals; and

- recognize the importance of financial management and reporting in strategic plans for transformation.

Concluding Observations

The Public Printer has taken action to transform GPO in response to changes in the environment for printing and information dissemination. Change is not optional for GPO—it is required, and it is driven by declines in GPO's printing volumes, printing revenues, and document sales. The panel we convened of printing and information dissemination experts identified options for GPO's future that focused on GPO's role in information dissemination rather than printing. GPO leadership is using the panel's suggestions to inform its strategic plan and set a direction for the agency's transformation.

We have noted that setting a clear direction for the future is vital to GPO's transformation. GPO's draft strategic plan is to be completed imminently; however, its transformation efforts are at a critical juncture, and GPO leadership will need to take further actions to strengthen and sustain GPO's transformation by using the nine key practices that we identified to help agencies successfully transform. One of these practices, related to ensuring that top management drives the transformation, has already been fully applied by GPO's leadership. Our recommendations, outlined in this report, will assist GPO with the implementation of the eight practices where GPO's efforts are still under way.

GPO leadership has articulated a vision to transform GPO into a world-class organization and has taken some initial steps toward this objective. GPO is actively implementing our prior recommendations to strengthen strategic human capital management and has also taken steps toward improving information technology and information technology management. GPO could build on this progress by focusing additional leadership attention on adopting best practices in these areas.

Agency Comments and Our Evaluation

We provided a draft of this report on June 9, 2004, to the Public Printer for review and comment. We received written comments from the Public Printer, which are reprinted in appendix II. The Public Printer agreed with the content, findings, and recommendations of the draft report.

In his written comments, the Public Printer stated that this report, together with our October 2003 report on human capital management, will support many future actions that are necessary to bring about a successful transformation of GPO. For example, GPO will use our recommendations, along with the panel's suggestions, to develop a customer service model that partners with GPO's agency customers to meet their publishing needs. Further, the Public Printer said that he fully agrees with our assessment of GPO's human capital environment and will make significant investments in workforce development in order to train existing employees in the skills required for 21st century printing and information processing. In addition, he added that GPO is moving toward becoming a world-class organization in both financial management and information technology management by adopting leading business practices.

GPO also provided minor technical clarifications, which we incorporated as appropriate in this report.

We are sending copies to the Public Printer, as well as the Joint Committee on Printing, the House Appropriations Legislative Subcommittee, the Senate Committee on Rules and Administration, and the House Committee on Administration. We will also make copies available to others upon request. In addition, the report will be available at no charge on GAO's Web site at http://www.gao.gov.

If you have any questions about this report, please contact J. Christopher Mihm or Steven Lozano on (202) 512-6806 or mihmj@gao.gov and lozanos@gao.gov. Questions concerning the expert panel, the survey of executive branch agencies, and information technology issues should be directed to Linda Koontz at (202) 512-6240 or Tonia Johnson at (202) 512-6447 or koontzl@gao.gov and johnsontl@gao.gov. Questions about GPO's financial management should be directed to Jeanette Franzel at (202) 512-9471 or Jack Hufnagle at (202) 512-9470 or franzelj@gao.gov or hufnaglej@gao.gov. Other contributors to this report were Barbara Collier,

Benjamin Crawford, William Reinsberg, Amy Rosewarne, and Warren Smith.

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Managing Director, Strategic Issues

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Scope and Methodology

To help explore the options for the future for the Government Prining Office (GPO), we contracted with the National Academy of Sciences to convene a panel of experts to discuss (1) trends in printing, publishing, and dissemination and (2) the future role of GPO. In working with the National Academy to develop an agenda for the panel sessions, we consulted with key officials at GPO, representatives of library associations, including the Association of Research Libraries and the American Library Association, and other subject matter experts. The National Academy assembled a panel of experts on printing and publishing technologies, information dissemination technologies, the printing industry, and trends in printing and dissemination. This panel met on December 8 and 9, 2003.

To obtain information on GPO's printing and dissemination activities—including revenues and costs—we collected and analyzed key documents and data, including laws and regulations; studies of GPO operations; prior audits; historical trends for printing volumes and prices; and financial, budget, and appropriations reports and data. We did not independently verify GPO's financial information, but did perform limited tests of the work performed by external auditors. We also interviewed appropriate officials from GPO, the Library of Congress, and the Office of Management and Budget. To determine how GPO collects and disseminates government information, we collected and analyzed documents and data on the depository libraries, the cataloging and indexing program, and the International Exchange Service program. We also interviewed appropriate officials from GPO.

To determine executive branch agencies' current reported printing expenditures, equipment inventories, and preferences, familiarity and level of satisfaction with services provided by GPO, and current methods for disseminating information to the public, we developed two surveys of GPO's customers in the executive branch. We sent our first survey to executive agencies that are major users of GPO's printing programs and services. It contained questions on the department's or agency's (1) familiarity with these programs and services and (2) level of satisfaction with the customer service function. These major users, according to GPO, account for the majority of printing done through GPO. We sent one survey each to 7 independent agencies and 11 departments that manage printing centrally. We also sent one survey each to 15 component agencies within 3 departments that manage printing in a decentralized manner. A total of 33 departments and agencies were surveyed. The response rate for the user survey was 91 percent (30 of 33 departments and agencies).

We sent our second survey to print officers who manage printing services for departments and agencies. These print officers act as liaisons to GPO and manage in-house printing operations. This survey contained questions concerning the department's or agency's (1) level of satisfaction with GPO's procured printing and information dissemination functions; (2) printing preferences, equipment inventories, and expenditures; and (3) information dissemination processes. These agencies include those that were sent the user survey plus two others that do not use GPO services. We sent this survey to 11 departments that manage printing centrally, 15 component agencies within 3 departments that manage printing in a decentralized manner, and 9 independent agencies. A total of 35 departments and agencies were surveyed. The response rate for the print officer survey was 83 percent (29 of 35 departments and agencies).

To develop these survey instruments, we researched executive agencies' printing and dissemination issues with the assistance of GPO's Customer Services and Organizational Assistance Offices. We used this research to develop a series of questions designed to obtain and aggregate the information that we needed to answer our objectives. After we developed the questions and created the two survey instruments, we shared them with GPO officials. We received feedback on the survey questions from a number of internal GPO organizations including Printing Procurement, Customer Services, Information Dissemination, and Organizational Assistance.

We pretested the executive branch surveys with staff at the Department of Transportation and the Environmental Protection Agency. We chose these agencies because each had a long-term relationship with GPO, experience with agency printing, and familiarity with governmentwide printing and dissemination issues. Finally, we reviewed customer lists to determine the appropriate agencies to receive the executive branch surveys. We did not independently verify agencies' responses to the surveys.

To assess GPO's actions and plans for the transformation, we reviewed statements by the Public Printer, Superintendent of Documents, and other senior leaders; analyzed draft performance agreements, employee surveys, communication plans, and strategic planning documents; GPO policies and procedures; organizational charts; audited financial statements; information from GPO's intranet; communications with employees from the Employee Communications Office and Public Relations; and other relevant documentation.

To obtain additional information and perspectives on GPO's transformation issues, we interviewed key senior GPO officials, including the Deputy Public Printer; Chief Operating Officer; Chief of Staff; Deputy Chief of Staff; Superintendent of Documents; Deputy Superintendent of Documents; Managing Director of Plant Operations; Managing Director of Customer Services; the former and Acting Chief Human Capital Officer; Chief Financial Officer; Chief Information Officer; and Director, Office of Innovations and New Technology. We also interviewed GPO officials at the next level of management responsible for information dissemination, customer service, and human capital. To get employee perspectives, we spoke with union leaders, attended town hall meetings, and analyzed results of the employee survey and focus groups held by the Human Capital Office. In addition, we visited the Pueblo, Colorado, Document Distribution Center to talk with frontline managers about their views of the transformation.

We used the practices presented in our report *Results Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669, to guide our analysis of the actions taken by GPO to transform. We developed the recommended next steps by referring to our other models, guides, reports, and products on transforming organizations, strategic human capital management, and best practices for information technology and financial management, and by identifying additional practices that were associated with and would further complement or support current GPO efforts.

We performed our work from March 2003 through June 2004. During this time we worked cooperatively with GPO leaders, meeting regularly with them about the progress of their transformation initiatives and providing them with information that they plan to use to develop GPO's strategic plan and strengthen management. Because of this collaborative, cooperative approach, we determined that our work in response to the mandate could not be considered an audit subject to generally accepted government auditing standards. However, in our approach to the work, we followed appropriate quality control procedures consistent with the generally accepted standards. For the general management review examining GPO's transformational efforts, we did follow generally accepted government auditing standards.

Comments from the Government Printing Office

U.S. GOVERNMENT PRINTING OFFICE
KEEPING AMERICA INFORMED

Bruce R. James
Public Printer

June 17, 2004

Mr. J. Christopher Mihm
Managing Director, Strategic Issues
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Mihm:

I am pleased with the opportunity to provide comments on the General Accounting Office's (GAO) Report, entitled *GOVERNMENT PRINTING OFFICE: Actions to Strengthen and Sustain GPO's Transformation*. As you fully recognize in your report, the Federal government printing and dissemination is dramatically changing due to technological advancements in the printing and publishing industry. GPO must transform itself to meet these challenges in order to become a viable and effective 21st century government enterprise. GPO has initiated the transformation process and has already made numerous changes to its operations, which GAO acknowledges in its report. However, there is still much more to accomplish and I believe that our present course of action, when fully implemented, will make the GPO a more efficient, economical, and effective organization.

GAO's thorough review of the federal printing operations and GPO's activities, coupled with the suggestions made by the Panel of Experts convened at GAO's request by the National Academy of Sciences, lends credibility to the need for GPO to change and head in a new direction. That process has begun and it will include the development of a GPO strategic business plan that will focus on a new primary mission, one centered on new electronic publishing and information dissemination technology, not printing. I agree with your report recommendations and have already made great strides implementing them. This report, together with your October 2003 report on human capital management, will support many future actions that are necessary to bring about a successful transformation of GPO.

Your survey findings have shown that Federal agencies do value GPO's services and wish to continue working with us in the future. That acceptability will serve as a major organizational incentive to build upon our past successes in order to provide new and improved products and services to our customer base. Many areas that customers have identified as needing improvement relate to new products and services that GPO offers, but have failed to do an effective job of marketing. Efforts are underway to better communicate with our customer base and to provide a wider range of new GPO services.

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Using your recommendations, along with the panel's suggestions, GPO will develop a customer service model that partners with its agency customers at the program level in order to provide a range of support and solutions for their publishing needs and responsibilities from creation to dissemination whether digital or printed publications.

The time has arrived to build a new model for government publishing based on the technologies now available and those that will soon be here. While it is clear that no one can fully anticipate the future evolution of technology and its impact on publishing, it is also clear that digital technology, as we know it today, will be the fundamental building block for the future as far as we can see. GPO must deploy the technology needed by its Federal customers and the public to gather and produce digital documents in a uniformly structured database in order to authenticate documents disseminated over the Internet and to preserve the information for permanent public access.

I fully agree with your assessment of GPO's human capital environment and the need for change. GPO will make significant investments in workforce development in order to train its existing employees in the skills required for 21st century printing and information processing. In addition, we are also moving toward becoming a world-class organization in both financial management and information technology management by adopting leading business practices that will make these functions an integral part of the entire GPO.

I would like to extend my appreciation to the GAO personnel who performed this review, and for their communication and assistance throughout the review process. Their professionalism in dealing with GPO's managers and employees allowed for this review to be completed in a cooperative manner and led to a general acceptance of many recommendations presented throughout the report. GPO will move forward now to continue its transformation and this report will be a major part of that process.

Sincerely,

BRUCE R. JAMES
Public Printer

Executive Agency Satisfaction with GPO Services

Agencies responding to our surveys were generally satisfied with the Government Printing Office (GPO) and its services. Many agencies rated certain services favorably:

- 18 of 19 that use electronic publishing services rated these as average or above,
- 16 of 17 that use large-format printing services rated these as average or above, and
- 16 of 17 that use services to convert products to electronic format rated these as average or above.

However, a few of the responding agencies suggested areas in which GPO could improve, as the following examples illustrate:

- 7 of 23 that use financial management services (such as billings, payments, and automated transfers) rated these as below average or poor;
- 3 of 10 that use Web page design/development rated it as below average or poor; and
- 5 of 24 that use the Federal Depository Library Program rated it as below average or poor.

Table 5 (repeated from the body of the report) summarizes (1) agency users' levels of satisfaction with GPO's services and (2) products and services that they do not use.

Table 5: Satisfaction with Products and Services

	Agency satisfaction with GPO products/services						
GPO product/service	Excellent	Above average	Average	Below average	Poor	Don't use	Total[a]
Archiving/storage	1	4	6	0	2	15	**28**
Binding	4	9	4	0	2	9	**28**
CD-ROM development and production	3	4	9	1	2	9	**28**
Converting products to electronic format	3	6	7	0	1	11	**28**
Custom finishing	4	6	4	0	2	12	**28**
Duplication/print on demand	5	5	6	1	2	9	**28**
Electronic publishing	4	7	7	0	1	9	**28**
Federal Depository Library Program	9	6	4	3	2	3	**27**
Financial management services	2	4	10	3	4	5	**28**
GPO sales program	5	4	10	2	1	5	**27**
Institute for Federal Printing and Electronic Publishing	11	7	5	0	1	4	**28**
Large format printing	4	3	9	0	1	10	**27**
Production Inventory Control System	2	4	11	1	1	9	**28**
Preflighting[b]	2	8	6	0	2	10	**28**
Press sheet inspection[c]	8	9	5	0	2	4	**28**
Printing (in-house)	7	7	5	2	2	5	**28**
Product dissemination	4	7	6	1	2	7	**27**
Reimbursable storage/distribution	1	2	4	0	2	19	**28**
Typography/design	3	9	4	1	2	9	**28**
Web hosting	1	2	5	1	1	18	**28**
Web page design/development	1	2	4	1	2	18	**28**

Source: GAO analysis of agency-reported data.

[a]Not all agencies answered every question.

[b]Preflighting is checking printed or electronic copy before printed copies are made.

[c]Press sheet inspection is a review of printed sheets before printed copies are made.

As the table shows, in responding to questions on customer satisfaction, some agencies indicated that they did not use certain electronic services:

- 18 of 28 do not use Web hosting and Web page design/development services,
- 11 of 28 do not use services to convert products to electronic format, and

- 9 of 28 do not use electronic publishing services.

Some responding agencies identified other services that they did not use:

- 19 of 28 do not use reimbursable storage and distribution services,
- 15 of 28 do not use archiving and storage services,
- 12 of 28 do not use custom-finishing services,
- 10 of 27 do not use large format printing services, and
- 10 of 28 do not use preflighting services.

In addition, we asked agencies about specific GPO services, which are reported in the sections that follow.

Level of Satisfaction with GPO Term Contracts

Most of the responding agencies' print officers were generally satisfied with GPO's Print Procurement Term Contracts organization—the group that awards and manages long-term multiple print contracts. All print officers responding to our survey rated this organization as average or above in the following areas:

- accessibility by phone,
- cost of products and services, and
- knowledge of products and services.

Among the few less-than-average ratings were

- presentation of new products and services—4 of 20 rated GPO's performance below average,
- timeliness—3 of 23 rated GPO's performance below average, and
- responsiveness to customer needs—2 of 24 rated GPO's performance below average.

Table 6 shows the specific responses.

Table 6: Agency Print Officers' Ratings of GPO Term Contracts

	Agency ratings of GPO term contracts						
Feature	Excellent	Above average	Average	Below average	Poor	No basis to judge	Total[a]
Ability to solve problems	7	10	6	1	0	0	24
Accessibility by phone	4	10	10	0	0	0	24
Accuracy of information	6	11	5	1	0	0	23
Communication skills	5	10	8	1	0	0	24
Cost of products and services	6	7	10	0	0	0	23
Courtesy	7	9	7	1	0	0	24
Presentation of new products and services	1	6	9	4	0	3	23
Product and/or services knowledge	4	11	9	0	0	0	24
Professionalism	6	10	7	1	0	0	24
Responsiveness to customer needs	7	7	8	2	0	0	24
Timeliness	6	6	8	3	0	0	23

Source: GAO analysis of agency-reported data.

[a]Not all agencies answered every question.

Level of Satisfaction with GPO Procurement Purchasing

Most of the responding agencies' print officers also were generally satisfied with GPO's Print Procurement Purchasing organization—the organization that manages one-time print procurements. Among the areas in which the organization was highly rated were

- ability to solve problems—all ratings were average or above,
- accessibility by phone—all ratings were average or above, and
- communication skills—all ratings were average or above.

Among the few less than average ratings were

- presentation of new products and services—4 of 16 rated this below average,
- responsiveness to customer needs—2 of 19 rated this below average, and
- timeliness—1 of 19 rated this below average.

Table 7 shows the specific responses.

Table 7: Agency Print Officers' Ratings of GPO Procurement Purchasing

	Agency ratings of GPO procurement purchasing						
Feature	Excellent	Above average	Average	Below average	Poor	No basis to judge	Total
Ability to solve problems	5	6	8	0	0	0	19
Accessibility by phone	4	9	6	0	0	0	19
Accuracy of information	4	10	5	0	0	0	19
Communication skills	3	9	7	0	0	0	19
Cost of products and services	5	7	7	0	0	0	19
Courtesy	4	10	5	0	0	0	19
Presentation of new products and services	1	4	7	4	0	3	19
Product and/or service knowledge	4	8	6	1	0	0	19
Professionalism	5	6	8	0	0	0	19
Responsiveness to customer needs	5	6	6	2	0	0	19
Timeliness	5	5	8	1	0	0	19

Source: GAO analysis of agency-reported data.

Level of Satisfaction with GPO Regional Print Procurement

Most of the responding agencies' print officers were satisfied with GPO's regional print procurement organizations, which manage print contracting for agency organizations outside of Washington, D.C. Among the areas in which these organizations were favorably rated were

- ability to solve problems—all ratings were average or above,
- accessibility by phone—all ratings were average or above, and
- accuracy of information—all ratings were average or above.

Among the few less-than-average ratings were

- presentation of new products and services—2 of 15 rated this below average, and
- product and services knowledge—1 of 21 rated this below average.

Table 8 shows the specific responses.

Table 8: Agency Print Officers' Ratings of GPO Regional Procurement

	Agency ratings of GPO regional procurement						
Feature	Excellent	Above average	Average	Below average	Poor	No basis to judge	Total[a]
Ability to solve problems	6	12	4	0	0	0	22
Accessibility by phone	7	8	7	0	0	0	22
Accuracy of information	7	11	3	0	0	0	21
Communication skills	3	13	6	0	0	0	22
Costs of products and services	5	10	7	0	0	0	22
Courtesy	7	11	4	0	0	0	22
Presentation of new products and services	1	5	7	2	0	6	21
Product and/or service knowledge	4	10	6	1	0	0	21
Professionalism	7	10	5	0	0	0	22
Responsiveness to customer needs	8	10	4	0	0	0	22
Timeliness	8	8	6	0	0	0	22

Source: GAO analysis of agency-reported data.

[a]Not all agencies answered every question.

Level of Satisfaction with GPO Information Dissemination

Most of the responding agencies' print officers were generally satisfied with GPO's information dissemination. Among the areas in which this function was favorably rated were

- courtesy—all rated average or above,
- product and/or service knowledge—all rated average or above, and
- professionalism—all rated average or above.

Among the few less than average ratings were

- presentation of new products and services—3 of 13 rated this below average, and
- accessibility by phone—3 of 22 rated this poor.

Table 9 shows the specific responses.

Table 9: Agency Print Officers' Ratings of GPO Information Dissemination

	Agency ratings of GPO information dissemination						
Feature	Excellent	Above average	Average	Below average	Poor	No basis to judge	Total[a]
Ability to solve problems	6	4	10	1	0	1	22
Accessibility by phone	4	4	11	0	3	0	22
Accuracy of information	6	6	8	1	1	1	23
Communication skills	6	3	13	1	0	0	23
Costs of products and services	2	4	10	1	1	4	22
Courtesy	6	5	11	0	0	0	22
Presentation of new products and services	0	4	6	3	0	9	22
Product and/or service knowledge	4	5	10	0	0	3	22
Professionalism	6	3	12	0	0	0	21
Responsiveness to customer needs	6	3	11	0	2	0	22
Timeliness	6	3	11	0	2	0	22

Source: GAO analysis of agency-reported data.

[a]Not all agencies answered every question.

Level of Satisfaction with GPO Customer Services

Most responding agencies were generally satisfied with the Customer Services program. Among the areas rated as average or above were

- ability to solve problems,
- accessibility by phone,
- accuracy of information,
- courtesy, and
- professionalism.

Among the few less than average ratings were

- presentation of new products and services—9 of 25 rated below average or poor,

- cost of products and services—4 of 26 rated below average or poor, and
- timeliness and responsiveness to customer needs—2 of 28 rated below average.

Table 10 shows the specific responses.

Table 10: Agency Ratings of GPO Customer Services

	Agency ratings of GPO customer services						
Feature	Excellent	Above average	Average	Below average	Poor	No basis to judge	Total
Ability to solve problems	8	10	10	0	0	0	**28**
Accessibility by phone	8	11	9	0	0	0	**28**
Accuracy of information	9	10	9	0	0	0	**28**
Communication skills	10	4	13	1	0	0	**28**
Cost of products and services	6	7	9	3	1	2	**28**
Courtesy	14	7	7	0	0	0	**28**
Presentation of new products and services	4	2	10	8	1	3	**28**
Product and/or service knowledge	5	9	12	1	0	1	**28**
Professionalism	12	8	8	0	0	0	**28**
Responsiveness to customer needs	9	7	10	2	0	0	**28**
Timeliness	8	9	9	2	0	0	**28**

Source: GAO analysis of agency-reported data.

Most of the responding agencies were generally satisfied with their most recent experience with this program. Specifically,

- 27 of 29 were able to reach a customer service representative, and
- 27 of 29 felt that the customer service representatives were helpful.

Among the few less than positive ratings were

- 7 of 29 strongly agreed or agreed that additional contact was required to resolve the matter,
- 3 of 28 disagreed that their complaint was resolved in a timely manner,
- 3 of 29 disagreed that their question was answered in a timely manner.

Table 11 shows the specific responses.

Table 11: Agency Ratings of Most Recent Experience with GPO Customer Services

	Agency rating of most recent contact with GPO customer services						
Feature	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No basis to judge	Total
Able to directly reach a GPO customer representative	13	14	1	1	0	0	29
Question answered in reasonable time period	12	14	0	3	0	0	29
Customer rep did not know how to handle problem	0	2	2	19	6	0	29
Complaint resolved in timely fashion	5	18	2	1	2	1	29
Needed additional contact to resolve matter	2	5	5	14	3	0	29
Customer rep was willing to help	14	13	1	1	0	0	29

Source: GAO analysis of agency-reported data.

Panel of Experts

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